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Being Arab
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“Le bon historien ressemble à l’ogre de la légende.
Là où il flaire la chair humaine, il sait que là est son gibier.”

Marc Bloch, *Apologie pour l’Histoire ou Métier d’Historien*

"ومن لا يحب صعود الجبال يعش أبد الدهـر بيـن الحفر"

إرادة الحياة، أبو القاسم الشابي

(“He who has an aversion to climbing mountains
will pass his days and nights in ditches and holes.”
Abu al-Qāsim al-Shābbī, *The Will of Life*)

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Abstract

Lo scopo di questo lavoro è stato quello di avanzare una tesi tanto semplice quanto scomoda: non è sempre la realtà che conta ma, piuttosto, il modo in cui essa è percepita conta a tal punto che le percezioni possono finire con l'essere fatte corrispondere alla realtà stessa. Questa riflessione vuole dunque costituire un "campanello d'allarme" oltre che una raccomandazione a dare il giusto valore alle percezioni, senza per questo limitare ad esse l'analisi trascurando la realtà, con tutti i suoi vincoli e possibilità, e soprattutto riaffermando l'importanza della storia.

Data questa premessa, che ritengo essere sempre valida, al centro di questo lavoro si situa il tentativo di fornire una spiegazione, una chiave d'interpretazione dell'accresciuta importanza che il fattore culturale e religioso sembra aver recentemente ri-acquistato (o che non ha mai perso la sua importanza), considerando in particolare il caso dei paesi arabi; la ricerca di una risposta o, quantomeno, di spunti di riflessione in tal senso, passa attraverso l'analisi della relazione tra globalizzazione neoliberale (o, come più volte definita, "IMF-led globalization") e nazionalismo culturale. Più precisamente, il punto di partenza è stato la considerazione del rapporto tra austerità economica e crescente successo dell'Islam politico, nel tentativo di stabilire se esiste davvero un legame di questo tipo e, in tal caso, se sia possibile dimostrare l'esistenza di un rapporto di causalità tra un fattore – austerità economica – e l'altro – l'accresciuta popolarità dell'Islam politico e del fondamentalismo religioso negli ultimi decenni. Sempre più, infatti, l'applicazione di politiche economiche neoliberali è stata accompagnata dalla ricerca di solidarietà alternative, soprattutto di tipo religioso, e questa ricerca è la forma che ha assunto la rivolta contro la dominazione esterna (reale o percepita), il materialismo, l'individualismo e la ricerca del profitto associati alla cultura occidentale e alla globalizzazione. Lo scopo che il lavoro si prefigge attraverso l'analisi storica è, pertanto, di indagare se questi fenomeni siano legati da semplice correlazione o da vera e propria causalità, benché ritengo si debba sempre diffidare di affermazioni assolutiste in un senso o nell'altro.

La tesi è divisa in tre parti, che rispecchiano il percorso logico – dal generale al particolare, dalla teoria alla sua applicazione a un particolare contesto storico e geografico - seguito durante tutto il processo di ideazione e scrittura. La Parte I, comprensiva dei primi due capitoli, è perciò dedicata all'analisi della letteratura esistente sui concetti a cui questo lavoro fa riferimento. Essa fornisce le necessarie definizioni di tali concetti e si propone di illustrare i dibattiti intellettuali che ruotano attorno ad essi. Il Capitolo 1 si concentra dunque sull'idea di nazionalismo e le sue innumerevoli sfumature. Introducendo il dibattito accademico classico sulla relazione tra nazione e nazionalismo, il capitolo presenta i due approcci principalmente adottati dagli studiosi: da un lato il primordialismo, secondo il quale le nazioni sono "essenze", entità eterne che si risvegliano e riscoprono se stesse nel XIX secolo, dando origine al nazionalismo; dall'altro lato il modernismo, che inverte tale relazione affermando che è stato piuttosto il nazionalismo a creare la nazione nel tentativo di legittimare determinate azioni politiche, sociali ed economiche e di aumentare la coesione sociale, non solo nel quadro di un vero e proprio

progetto di "ingegneria sociale" ma anche in virtù di particolari fenomeni economici e tecnologici prettamente moderni, tra cui lo sviluppo del capitalismo, l'industrializzazione, l'emergere dello stato burocratico, l'urbanizzazione e il secolarismo. La presentazione di questa rivoluzione concettuale è seguita da una particolare contestualizzazione: prima di tutto, come tentativo di distinguere forme di nazionalismo terzomondista da quelle europee, considerando l'influenza esercitata dalle idee europee di nazione e nazionalismo e la loro interazione con le specifiche circostanze socio-politiche che hanno caratterizzato e tutt'ora caratterizzano, in varia misura, i paesi in via di sviluppo, ossia il colonialismo e i suoi effetti. Un'altra particolare contestualizzazione dei concetti analizzati nel primo capitolo riguarda l'emergere del nazionalismo arabo nel XIX secolo e si fonda sull'introduzione dell'idea di nazionalismo culturale. Il nazionalismo arabo è stato infatti descritto come basato su una rinascita, un risveglio *culturale*, risultato da processi di acculturazione innescati dai rapporti con le potenze europee; tale processo ha subito una politicizzazione solo in un secondo momento, con le rivendicazioni per la creazione di uno *stato* Pan-Arabo mentre, più di recente, l'Arabismo ha perso terreno in favore di forme locali di nazionalismo, come quello egiziano, e del cosiddetto Pan-Islamismo, con un apparente risveglio delle componenti culturali, etniche e religiose quale espressione di tensioni, disagio e conflitto sociale.

Il Capitolo 2 è invece dedicato alla nozione di globalizzazione; esso fornisce innanzitutto un'introduzione critica al concetto di globalizzazione, analizzando le principali definizioni e le questioni ad essa collegate; vi si afferma inoltre che la globalizzazione, intesa come processo di ri-spazializzazione e cambiamento dello spazio sociale, è caratterizzata da una complessa interazione di continuità e cambiamento, soprattutto per quanto concerne (in)sicurezza, (dis)uguaglianza e (non)democrazia. L'argomento principale contenuto nel capitolo e che pervade l'intero lavoro è il fatto che, di per sé, la globalizzazione non ha conseguenze necessariamente positive o negative, ma che i suoi effetti sono, piuttosto, orientati e influenzati – per quanto non determinati – da precise scelte politiche. A partire all'incirca dagli anni '80, infatti, l'affermazione del neoliberismo come paradigma economico e politico dominante ha provocato maggiore insicurezza, inasprito le disuguaglianze e aggravato il deficit democratico. Ciò spiega altresì perché la globalizzazione sia così spesso associata alle politiche neoliberali tout court. Il capitolo riassume inoltre le conseguenze che la globalizzazione neoliberale o "IMF-led globalization", distinta dalla globalizzazione in quanto tale, ha avuto per i paesi del cosiddetto Terzo Mondo, con particolare riferimento all'emergere del nazionalismo culturale.

Questa prima sezione, dedicata alle definizioni e ai dibattiti accademici intorno ai concetti che sono alla base del ragionamento, è seguita dalla Parte II, che include i Capitoli 3 e 4 e punta a spiegare in che senso la globalizzazione neoliberale può aver condotto al riemergere del nazionalismo culturale nel mondo arabo. L'ipotesi avanzata in questi due capitoli è che l'applicazione di programmi di aggiustamento strutturale e, nello specifico, di politiche economiche neoliberali, abbia provocato lo smantellamento del contratto sociale nei paesi arabi, e dunque il ritiro di stati sempre più indebitati dalla fornitura di servizi sociali ai cittadini e il peggioramento delle condizioni di vita per un numero crescente

di persone, che hanno per questo iniziato a cercare forme di solidarietà alternative a quelle fino ad allora rappresentate dallo stato.

Nello specifico, il Capitolo 3 descrive le antiche radici culturali e religiose dei valori su cui il "patto" tra società arabe e governanti si fondava, e la creazione di contratti sociali cosiddetti nazional-populisti in seguito all'ottenimento dell'indipendenza. Nel capitolo si afferma che, nonostante le differenze riscontrabili da un caso all'altro, i contratti sociali adottati nei vari paesi arabi condividevano una quantità di caratteristiche, e in particolare la forte presenza del settore pubblico nell'economia, l'importanza attribuita allo sviluppo, al benessere e all'assistenza ai cittadini, l'insistenza sulla riforma agraria e la crescita industriale basata su strategie di sostituzione delle importazioni.

A partire da queste considerazioni, il Capitolo 4 si concentra sull'Egitto come caso studio e analizza lo smantellamento del contratto sociale esistente nel paese, prima attraverso le politiche di apertura o *infitah* degli anni '70, e in seguito con il programma di ripresa economica e aggiustamento strutturale (ERSAP) lanciato nel 1991, che ebbe un'enorme influenza sul sistema nato dopo l'indipendenza e il secolare "contratto" tra società e governanti. Il capitolo si divide in due sezioni: la prima presenta un'analisi qualitativa, dove si descrivono i programmi di riforma e i loro effetti in termini di benessere, sicurezza e protezione sociale; la seconda presenta invece un'analisi quantitativa e fornisce dati relativi all'evoluzione di povertà, disuguaglianza e altre dimensioni del benessere dei cittadini durante il periodo di riforma. Lo scopo dell'analisi è quello di comprendere se ciò ha effettivamente provocato la ritirata dello stato, il peggioramento di povertà e disuguaglianza, e la creazione di un vuoto politico, economico e sociale che è stato riempito da forme alternative di assistenza e protezione sociale, in particolar modo da organizzazioni di tipo religioso, accrescendo così il successo dell'Islam politico.

La terza e ultima parte di questo lavoro riconosce che globalizzazione neoliberale e i programmi di aggiustamento strutturale non possono essere considerati i soli responsabili delle circostanze economiche e sociali attuali, e che non sono sufficienti a spiegare il persistente malessere e l'enfasi sui fattori culturali e religiosi che oggi sembrano caratterizzare il mondo arabo-islamico. Il Capitolo 5 tenta perciò di fornire un'interpretazione complementare e non esclusiva della recente ascesa di una "versione culturale" del nazionalismo che ha assunto vari aspetti, dall'Islamismo a più radicali forme di estremismo e fondamentalismo religioso. A tal fine, l'importanza di idee, percezioni e addirittura "emozioni" è presa in considerazione, dato che giocano un ruolo fondamentale sia in quanto cause che come conseguenze del "risveglio" islamista e della sua mobilitazione degli ultimi decenni; risulta essere particolarmente rilevante, infatti, la percezione che le circostanze attuali in cui si dibatte il mondo arabo siano esclusivamente dovute all'influenza e ad interventi di potenze esterne, *essenzialmente* ostili alla regione. Per questo il capitolo conclusivo, come pure lo spirito che ha guidato questo lavoro, insiste sulla necessità di accompagnare tali percezioni e la consapevolezza della loro importanza a un recupero della storia privo di predestinazione e teleologia nazionalista, fondamentale per l'abbandono del vittimismo e del nihilismo, e per uscire dall'impasse cui il mondo arabo sembrerebbe essere condannato.

Introduction

Studies have shown that people who own horses live longer than those who do not. The implied correlation is that horses make you live longer. Reality is that if you own a horse, you can probably afford health insurance. While it might be true that horse owners tend to be less symptomatic in high blood pressure, heart conditions and diabetes thanks to exercise, outdoors exposure and the fact that horses can replace men for certain high-intensity activities, one should also consider other factors before drawing conclusions, namely the fact that the financial stability necessary to feed and take care of a horse is probably sufficient to afford human health care as well.

This provocative statement serves the purpose of emphasising the need for solid research questions and approaches, and highlights the dangers of approximate methodologies, particularly the confusion between causation and correlation. This was the risk I had to keep in mind during the whole planning and drafting of this thesis, where I wanted to explore the relationship existing between economic austerity and increased support for political Islam in the Arab world. In the last few decades, more and more people, out of a yearning for community, have turned to alternative kinds of solidarity, especially on religious lines, as a revolt against real or perceived foreign domination, materialism, individualism and the pursuit of profits associated with Western culture and globalization. Hence, to draw a parallel with the opening provocation, according to which horses seem to guarantee a longer and healthier life to their owners, the most immediate implication one could support is that economic austerity, which has often been associated with (neoliberal) globalization, has led to increased support for various forms of cultural nationalism, especially political Islam. Is it really the case? Is there such a direct causal relationship, if any, between economic austerity and the political success of Islamism in the Arab region? The present work aims at answering this question, leaving aside preconceived ideas and reasserting the importance of history. While keeping in mind, at the same time, that we, mankind, are the makers of history. French historian Marc Bloch wrote: "The good historian resembles the ogre of legend. Wherever he senses human flesh, he knows that there lies his prey."[1] While thinking, researching and writing, I have tried to become the ogre. And human flesh provided me with the evidence I was looking for: historical facts matter as much as our perceptions of those same facts. Facts affect perceptions, and vice versa. There lies the profound humanity of history.

I first met the main concepts addressed in this dissertation while reading Vijay Prashad's *The Darker Nations. A People's History of the Third World*.[2] In his book, Prashad argues that the emergence of cultural nationalism paved the way to IMF-led globalization, that I also referred to as neoliberal globalization. By IMF-led globalization, Prashad means the policy of global reorganisation on neoliberal lines by means of structural adjustment programmes orchestrated by the First World to "assassinate the Third World project" in the context of the 1980s debt crisis. Hence, I started wondering whether the

[1] "Le bon historien ressemble à l'ogre de la légende. Là où il flaire la chair humaine, il sait que là est son gibier." M. Bloch, *Apologie pour l'Histoire ou Métier d'Historien*, Librairie Armand Colin, Paris 1952 [1949], p. 18.
[2] V. Prashad, *The Darker Nations. A People's History of the Third World*, The New Press, New York 2007.

opposite could be argued as well, that is, if IMF-driven globalization has led to cultural nationalism. I decided to focus the analysis on the Arab region, for that is where my passions and interests lie. I wanted to find out whether the trend identified by Prashad could also be used to describe and explain contemporary developments in Arab-Islamic countries, all too often considered as condemned by "culture" and (the Islamic) "religion" to authoritarianism, violence, and fundamentalism. Similar considerations, which rely on exceptionalism and essentialism, are naturally unfounded, and this will be proved more than once in the following chapters.

This dissertation is divided into three parts: Part I, which includes the first two chapters, is dedicated to an overview of the literature on the main concepts referred to in this work; it provides definitions and discusses the intellectual debates that revolve around them. Chapter 1 thus focuses on nationalism and its many shades. It introduces the classic academic debate on the relationship between nationalism and nation, presenting two main approaches: primordialism, according to which nations are "given" or eternal entities that awaken and re-discover themselves in the nineteenth century, giving rise to nationalism; and modernism, that reversed the relationship between nation and nationalism by claiming that it was nationalism that created the nation. Following the presentation of this conceptual revolution, a contextualisation is introduced: first, as an attempt to distinguish Third World from European forms of nationalism, considering the influence exerted by the European ideas of nation and nationalism in their interaction with the specific socio-political circumstances characterising the underdeveloped world, namely colonialism and its effects. Secondly, the concept of cultural nationalism is introduced to clarify a further contextualisation, one that focuses on the emergence of Arab nationalism in the nineteenth century. Indeed, Arab nationalism has been described as based on a *cultural* revival resulted from a process of acculturation; only later was this concept politicised with demands for the creation of a Pan-Arab *state* while, more recently, loyalty was diverted from Arabism in favour of local (e.g. Egyptian) forms of nationalism and pan-Islamism, apparently going back to cultural, ethnic and religious revivals as an expression of social unrest.

Chapter 2 is dedicated to the notion of globalization, and it is divided in two blocks: the first provides a critical introduction to the concept of globalization, discussing the main definitions and issues related to it; in addition, it is argued that globalization, considered as a process of respatialisation, a change in social space, is characterised by a complex interaction of change and continuity, particularly for what concerns modes of production, governance and identity; finally, its impact is assessed in the areas of (in)security, (in)equality and (un)democracy. The main argument advanced in the chapter is the fact that globalization per se does not have necessarily positive or negative consequences, but that outcomes are shaped – although not determined – by precise political choices. Indeed, from approximately the 1980s, it was neoliberalism that, having emerged as the dominant political and economic framework, increased insecurity and exacerbated inequality and democratic deficits. This also explains why globalization is so often equated with neoliberal policies. As for the second block of the chapter, it summarises the consequences of neoliberal globalization – also referred to as "IMF-led globalization" and distinguished

from globalization as such – for Third World countries, especially with reference to the unfolding of cultural nationalism.

Next follows Part II, which includes Chapters 3 and 4 and aims at explaining in what sense IMF-driven globalization might have led to the re-emergence of cultural nationalism in the Arab region. The hypothesis advanced in these two chapters is that the implementation of structural adjustment programmes, and specifically neoliberal policies characterised by economic austerity, was responsible for the dismantling of the Arab social contract, and therefore the retreat of increasingly indebted states from social services provision and a worsening of the living conditions of more and more people, who started searching for alternative forms of solidarity. More precisely, Chapter 3 describes the ancient cultural and religious roots of the values the "pact" between Arab societies and their rulers relies on, and the creation of the national-populist social contracts in post-independence Arab states. It is argued that, in spite of their diversity from one another, Arab social contracts shared similar characteristics, particularly large public sectors, the concern with development and welfare, land reforms and industrial growth based on import-substitution strategies.

Building on these considerations, in Chapter 4 Egypt is selected as a case study to look at the way its social contract was dismantled, first by the *infitah* or "open-door policy" started in the 1970s, and then by the Economic Recovery and Structural Adjustment Programme (ERSAP) that was launched in 1991, which affected both the post-independence system and the much more ancient "contract" between society and its rulers. The chapter is divided into a qualitative section, that describes the reform programmes and their effects in term of social welfare, and a quantitative section providing data on trends in poverty, inequality, and other dimensions of social welfare in the reform period. The purpose of such analysis is to explore whether this caused a retreat of the state, a worsening of poverty and inequality, and a void that was later filled by alternative sources of welfare provision, especially faith-based organisations, strengthening political Islam.

Finally, Part III acknowledges that neoliberal globalization and structural adjustment programmes cannot be considered the sole responsible of the current circumstances and are not sufficient to explain the persisting malaise, the cultural and religious turn in Arab societies. Chapter 5 thus aims at providing a complementary and not exclusive interpretation of the recent rise, in the Arab-Islamic world, of a cultural version of nationalism that has taken several shapes, from Islamism to more radical forms of extremism and religious fundamentalism. To do so, the importance of ideas, perceptions and even "emotions" is taken into account, recognising that they play a crucial role as both a cause and a consequence of increased Islamist (re)emergence and mobilisation in the last decades, and pointing to the need for a re-examination of history and the abandonment of victimism and nihilism.

PART I

THE THEORETICAL FRAMEWORK

CHAPTER 1

ON NATIONALISM AND ITS MANY SHADES: FROM THE CLASSIC DEBATE TO THIRD-WORLD AND ARAB NATIONALISM

A thorough understanding of human history in the last two centuries is impossible without addressing notions such as "nation" and "nationalism". Few concepts have played an equally crucial role in the shaping of modern world, engendering the unprecedented mobilization of millions of people, ready to sacrifice their lives for their "fatherland". At the same time, few concepts have proven as problematic to define. In the words of the founder of The Economist, Sir Walter Bagehot: "We know what it is when you do not ask us, but we cannot very quickly explain or define it."[3] It is thus easy to realise that, notwithstanding the lack of precision in its definition, the idea of nation has long been taken for granted, contributing to the belated development of the literature on nationalism. "A man must have a nationality as he must have a nose and two ears"[4] and, as a matter of fact, every consideration regarding social and political rights and interactions is traced back to the idea of nation: "Equality or justice is usually required for the members of the nation, and elites compete for power in order to rule the 'nation'. On the other hand, both war and peace take place among 'nations' or, more precisely, for the 'nations'."[5] Furthermore, nations and nation-states have become the necessary conditions of legitimacy in the international arena, "the sole source of political power and the basis of world order."[6]

Another tendency that has contributed to the delay in the development of the literature on nationalism is, according to Turkish scholar Umut Özkirimli, the fact of considering only extreme manifestations of nationalism, such as ethnic conflicts, separatist movements or aggressive right-wing policies, and of taking into account only those that concern peripheral areas. This has led to distinguishing between "our" nationalism, which is presented as good and beneficial patriotism, and the dangerous, irrational nationalism of the "others", in the periphery.[7] As such, nationalism is a problem of the periphery, not "ours". This stance betrays a certain dose of Eurocentrism:

> The old nations have images of operetta states and banana republics, and in these caricatures we see clearly the institutionalized patterns for what a proper nation is supposed to look like. Successfully accomplished national projects, such as that of the Swedish or the French, are quickly taken for granted. Unsuccessful examples, on the other hand, serve as examples of unrealistic ambitions or airy-fairy dreams, or merely comic attempts to imitate the old national giants.[8]

[3] W. Bagehot, *Physics and Politics*, London 1887, pp. 20-21.
[4] E. Gellner, *Nations and Nationalism*, Oxford: Blackwell 1983, p. 6.
[5] U. Özkirimli, *Theories of Nationalism. A Critical Introduction*, MacMillan 2000, p. 3.
[6] A. D. Smith, *National Identity*, London Penguin 1991, pp. 46-47.
[7] M. Billig, *Banal Nationalism*, Sage, London 1995, p. 55.
[8] O. Löfgren, 'Materializing the Nation in Sweden and America', in *Ethnos*, 58 (III-IV) 1993, p. 166.

Even worse, unsuccessful examples are often seen as a symptom of inconsistency between supposed "cultural essences" and models of socio-political organisation generally taken for granted, such as the nation-state and democracy.

Equating nationalism with peripheral, extreme manifestations has also led to presenting nationalism as a purely "tide-like" phenomenon that only emerges in periods of crisis, such as the "return of the repressed" after the collapse of Soviet communism. But "Nationalism is not a latent force that manifests itself only under extraordinary conditions [...]. Nationalism is a discourse that constantly shapes our consciousness and the way we constitute the meaning of the world."[9] As such, the "discourse of nationalism" has concerned, at some point, every place and every epoch since approximately two centuries ago, albeit in different ways according to historical circumstances and social settings.

The reasons for the delay in the development of the literature on nationalism briefly discussed above have recently started to disappear, and specialization in the study of nationalism has increased. Most recent studies have in fact criticised the mainstream literature because of its Eurocentric and gender-blind perspective.[10] The classical academic debate between the primordialist and modernist perspectives that characterised the XX century and that will be dealt with in this chapter, in fact, ignored the so-called marginal groups, such as ethnic minorities, women and post-colonial societies. Increasing research in fields like multiculturalism, identity, migration, feminism and racism has provided the study of nationalism with innovative, promising insights. Indeed, these new approaches have encouraged the development of new frameworks for the study of nationalism, in order to integrate neglected issues into the analysis. One of these analytical frameworks, the one proposed by Özkirimli, will be used and considered as a necessary premise for the research carried out here. Özkirimli's framework is made up of five propositions:[11]

1. There can be no general theory of nationalism. As Sami Zubaida maintained, the pretention to find common social structures and processes underlying ideological and political phenomena is misleading and ahistorical, since nationalisms are born in different historical periods and settings.[12] Other factors should also be given importance when considering the development of nationalism, such as historical contingencies, local history and the nature of the state and other elite power.[13] Maintaining that there can be no universal theory of nationalism also means, on the one hand, rejecting the idea of nations as "given", eternal entities; on the other hand, it means that the development of a certain division of the world in a certain number of nations is not a

[9] U. Özkirimli, *Theories of Nationalism*, op. cit., pp. 3-4.
[10] Considering the importance of gender for the definition of nations and nationalisms goes, unfortunately, beyond the aim of this work, so I shall restrict myself to a reference to these remarkable works: G. Mosse, *Nationalism and Sexuality: Middle-Class Morality and Sexual Norms in Modern Europe*, University of Wisconsin Press, 1985; N. Yuval-Davis, *Gender and Nation*, Sage Publications Ltd, 1997. Critics concerning the Eurocentrism of the literature on nationalism are instead dealt with later in this chapter.
[11] U. Özkirimli, *Theories of Nationalism*, op. cit., pp. 226-232.
[12] S. Zubaida, 'Theories of Nationalism', in G. Littlejohn, B. Smart, J. Wakefield and N. Yuval-Davis (eds), *Power and the State*, Croom Helm, London 1978, pp. 52-71.
[13] C. Calhoun, *Nationalism*, Open University Press, Buckingham 1997, p. 25.

necessary phenomenon. The current setting could have been very different, had contingent factors like wars, conflicts and treaties worked differently in making some claims for nationhood succeed and some others fail.[14]

2. There is no "one" nationalism. There are different types of nationalisms and different conceptions of nationhood: territorial national identity, ethnic and cultural homogeneity, anti-imperialist Third World nationalism are only a few options. Another example that will be taken into account later is the difference between the Pan-Islamist and the Pan-Arabist understandings of nationhood.
3. What unites various forms of nationalism is the "discourse of nationalism". Both militants committing acts of terrorism and citizens singing the national anthem in a stadium[15] use such discourse to legitimise their actions, just like all nations use it to define, justify and reproduce themselves. Objective factors such as a common language, religion or ethnicity are not enough to determine which collectivities should become nations. Since the common rhetoric, the particular way of understanding the social reality we experience – brief, since the discourse of nationalism is what defines cultural collectivities as nations, the modernity of nationalism becomes clear: nations can only exist in the context of nationalism. Finally, Özkirimli sums up the main characteristics of the discourse of nationalism in three propositions: first, such discourse gives most prominence to interests and values of the nation; second, the nation is seen as the only source of legitimacy and justifies actions that in normal circumstances would not be tolerated; third, the national discourse is based on a distinction between "us" and "them", which also enables "us" to be defined in terms of "them".
4. The nationalist discourse can only be effective if it is reproduced on a daily basis. Everyday manifestations of nationalism can be found in attitudes, opinions, acts of discrimination, and they can be seen in structures, institutions, practices and policies that activate and reproduce power relations, or the hegemony of one ethnic / national group over another.
5. As there are different constructions of nationhood, any study of nationalism should acknowledge the differences of ethnicity, gender, class or place in the life-cycle that affect the definition and redefinition of national identities. Although nationalism promotes and addresses large categorical identities, identity is not a fixed category, but a process in which also self-construction, categorization by others, relationships, statuses and memories matter.[16]

The first objective of this chapter is to present the history of nationalism and the debate over the relationship between nationalism and nation. According to a more "classic" point of view, in fact, the nation is a "given" or eternal entity which awakens and re-discovers itself in the XIX century, giving rise

[14] F. Halliday, *The Nationalism debate and the Middle East*, Kaller public lecture, Dayan Centre for Middle Eastern and African studies, Tel Aviv, 5 May 1997; F. Halliday, *Irish Nationalisms in Perspective*, Torkel Opsahl Lecture, Belfast, 10 December 1997.
[15] U. Özkirimli, *Theories of Nationalism*, op. cit., p. 5.
[16] L. Malkki, 'National Geographic: The Rooting of Peoples and the Territorialization of National Identity among Scholars and Refugees', in G. Eley and R. G. Suny (eds.), *Becoming National: A Reader*, Oxford University Press 1996, pp. 447-448.

to nationalism; recently, however, and particularly since the 1980s, the relationship between nation and nationalism has been reversed by claims that it was nationalism that created the nation. Following the presentation of this conceptual revolution and of the new currents and critics of Eurocentrism, a contextualisation will be introduced: first, an attempt to distinguish Third World from European varieties of nationalism will be carried out; secondly, the concept of cultural nationalism will be defined and used to clarify the emergence of Arab nationalism in the XIX century.

NATIONS AND NATIONALISM IN THE ACADEMIC DEBATE

It has been argued that "the history of Europe from 1789 to 1945 is synonymous with the history of the growth and development of modern nations."[17] Far from being an exaggeration, it shows that the origins of the idea of nationalism can be traced back to the Romantic thought of the XVIII and XIX centuries. It is believed that nationalism started as a claim for historical individuality against the universalizing pressures of the age of Enlightenment. In this sense, the nation has been framed as a people's historical individuality, unique by virtue of its ethnicity, language, thought and tradition, hence recognized as gifted with a soul; it has also been defined as a spiritual individuality, which only at a later stage becomes a political entity, a national state. This occurs through a process of transformation: the nation is originally a "mere historical memory", and becomes "the fatherland" thanks to the political will of its people.[18]

The academic debate of the XX century, on which this chapter focuses, has been largely influenced by the early nationalist thought. Nonetheless, a diversification started to characterise the debate in the second half of the XX century and, especially from the 1980s, attempts were made to overcome the "classic" debate and its premises. To summarize, the main questions of the theoretical debate can be formulated as follows:[19]

- What is the nation? What is nationalism? The first issue that needs to be addressed is the ambiguity that characterises the use of both terms. It is controversial, for example, whether "objective" criteria like language, religion or race, or "subjective" criteria like self-awareness or solidarity should prevail in defining what a nation exactly is. Eric Hobsbawm argued that neither option is satisfactory for the purpose of deciding which human collectivities should be referred to as nations. "Objective" criteria are ambiguous and are not always useful to explain why "cases corresponding to the definition [of nation] are patently not (or not yet) 'nations' [...], or undoubted 'nations' do not correspond to the criterion or combination of criteria."[20] He raises objections against the "subjective" definition of nation as well, warning against the risk of voluntarism, which hints at the will to be a nation as the only necessary condition to actually

[17] T. Baycroft, *Nationalism in Europe 1789-1945*, Cambridge University Press, Cambridge 1998, p. 3.
[18] F. Chabod, *L'Idea di Nazione*, Laterza, Bari 1974, pp. 17-25; 61.
[19] U. Özkirimli, *Theories of Nationalism*, op. cit., pp. 57-62.
[20] E. J. Hobsbawm, *Nations and Nationalism since 1780*, Cambridge University Press 1992 [1990], pp. 5-6.

become one.[21] There is no unanimity over the definition of nationalism, either: it has been described as a doctrine,[22] a state of mind,[23] an ideological movement,[24] a political principle,[25] a discursive formation.[26]

- What are the origins of nations and nationalisms? To what extent are they modern phenomena? In other words, the issue is about establishing the relationship between nation and nationalism: is the nation an eternal, primordial entity that engendered nationalism at the moment of its awakening? Or did nationalism arise from modern conditions such as capitalism, industrialisation urbanisation and secularism, and "invent" the nation to face the challenges of modernity? The fundamental divide between primordialists – supporting the first hypothesis - and modernists – supporters of the second one - originated from attempts to answer these questions. In recent years, a new category has emerged to try to conciliate the two diametrically opposed stances; it has been defined as ethno-symbolism, and its proponents claim that pre-modern ethnic ties have a significant influence on elite attempts to forge the nation.[27] According to ethno-symbolists, the formation of modern nations should be analysed in *la longue durée*,[28] with special regard to the symbolic value of pre-modern myths, memories, language, religion, ethnic ties and identities, which make up the "common property" of a community and are the basis of identity boundaries. They are the foundation, in other words, of a community's *mythomoteur*.[29]
- What are the different types of nationalism (if any)? Most scholars agree over the manifold nature of nationalism, and several classificatory efforts have been made to prove this. Hans Kohn,[30] for example, distinguished between a political and a cultural form of nationalism, which will be taken into account later on in this chapter.

Different answers, therefore, have been provided to deal with these problems. As it has been briefly mentioned, according to the emphasis placed on the primordial or modern roots of nations, two main approaches can be distinguished in the classic academic debate: primordialism and modernism.

Primordialism

There exist differences between various primordialist explanations concerning the meaning and origin of nations. Özkirimli summarised them in these terms:

[21] *Ibid.*, p. 8.
[22] E. Kedourie, *Nationalism*, Blackwell, Oxford 1994, p. 1.
[23] H. Kohn, *Nationalism. Its Meaning and History*, Krieger Publishing Company 1965, p. 9.
[24] A. D. Smith, *National Identity*, op. cit., p. 51.
[25] E. Gellner, *Nations and Nationalism*, op. cit., p. 1.
[26] C. Calhoun, *Nationalism*, op. cit., p. 3.
[27] U. Özkirimli, *Theories of Nationalism*, op. cit., pp. 167-189.
[28] J. Armstrong, *Nations before Nationalism*, University of North Carolina Press, Chapel Hill 1982, p. 4.
[29] *Ibid.*, chapter 5.
[30] H. Kohn, *The Idea of Nationalism. A Study in its Origins and Background*, New York 1945, p. 4. See also J. Breuilly, *Nationalism and the State*, Manchester University Press, Manchester 1993, p. 9.

> Apart from the *naturalist approach* characterizing the writings of nationalists, primordialism appears in three different forms in the literature on nationalism. *Perennialists* argue that nations have always existed and that modern nations are nothing but the extensions of their medieval counterparts. *Sociobiologists* seek the origins of ethnic and national ties in genetic mechanisms and instincts, treating the nation as an extension of the idiom of kinship, or a kind of superfamily. Finally, *cultural primordialists* focus on the perceptions and beliefs of the individuals. What generates the strong attachments people feel for the 'givens of social existence', the culturalist contend, is a belief in their 'sacredness'.[31]

Broadly speaking, primordialists believe either in the perennial, unchanged character of nations, or at least in the antiquity of nations and nationalism.[32] As primordial or antique entities, nations can be identified through a distinctive way of life, and not only through the attachment to a particular territory or the struggle for political independence, which has always been framed, from the XIX century onwards, as "freedom".[33]

What is of primary importance for this short analysis is that nationality is seen as a "natural" part of human beings. The primordial ties linking humans to nations are comparable to blood ties, to the attachment for family members. Such ethnic - or national - attachment is determined by ties of blood, language, religion, particular social practices, which are "given" or at least *believed* to be given by individuals.[34] Clifford Geertz goes as far as to maintain that "These congruities of blood, speech, custom, and so on, are seen to have an ineffable, and at times overpowering, coerciveness in and of themselves".[35] As a result, "one is born into a nation in the same way s/he is born into a family".[36] The division of humanity in nations is thus considered natural, and no distinction is made between nations and ethnic groups.[37]

Since nationalism is an ideology, a movement which presupposes "a world of nations, each with its own character",[38] it follows that nations precede nationalism. Nationalist thinkers believe, in fact, that there exist a mysterious "spiritual element", which has the power to "awaken" peoples and nationalities, providing them with the self-awareness necessary to constitute themselves internally and, at the same time, to manifest themselves to the world through nationalism. Coherently with the doctrine of voluntarism, this spiritual element has been defined as a "Cogito ergo sum" applied to nationalities.[39] As

[31] U. Özkirimli, *Theories of Nationalism*, op. cit., p. 74.
[32] R. Brubaker, *Nationalism Reframed: Nationhood and the National Question in the New Europe*, Cambridge University Press, Cambridge 1996, p. 15.
[33] F. Chabod, *L'Idea di Nazione*, op. cit., p. 33: "Difendere la propria libertà [...] nei costumi, nelle credenze, nel modo di pensare, nella propria individualità spirituale e morale, insomma in ciò che costituisce propriamente la 'nazione'. Con ciò la libertà diviene la caratteristica essenziale del proprio passato nazionale; essa non soltanto è un ideale avvenire, bensì è la propria storia stessa".
[34] E. Shils, 'Primordial, Personal, Sacred and Civil Ties', in *British Journal of Sociology*, 8(2) 1957, p. 142.
[35] C. Geertz, *The Interpretation of Cultures: Selected Essays*, Fontana, London 1993 [1973], p. 259.
[36] A. D. Smith, *Nations and Nationalism in a Global Era*, Polity Press, Cambridge 1995, p. 31.
[37] *Ibid.*, p. 32.
[38] A. D. Smith, *National Identity*, op. cit., pp. 46-47.
[39] P. S. Mancini, quoted in F. Chabod, *L'Idea di Nazione*, op. cit., pp. 72-73.

such, nations and nationalism also precede modernity and are by no means influenced by its developments.

In spite of the criticism it faced, primordialism has been defended by Anthony Smith on the grounds that it can be a useful concept, as it allows for the understanding of the endurance – and thus the importance - of ethnic ties.[40] Özkirimli, too, has observed that the concept of primordialism should not be completely neglected. Primordialism could in fact be defined, in short, as "webs of meaning spun by individuals and the strong emotions these meanings generate", meanings that suggest themselves as "given".[41] As such, primordialism has the merit of drawing attention to the role of perceptions and beliefs in guiding human action, providing non-negligible insights to the study of nationalism.[42]

Modernism

In their explanations of the emergence of nationalism, modernists have assigned importance to various elements, such as economic, political and socio/cultural factors.[43] What they all have in common, however, is the belief in the modernity of nations and nationalism. They are both seen as products of modern processes like capitalism, industrialism, the emergence of the bureaucratic state, urbanisation and secularism.[44] They are, in other words, a sociological necessity of the modern world: "Nationalism comes before nations. Nations do not make states and nationalisms but the other way round."[45]

When considering the emergence of nationalism in the modern era, Hobsbawm focuses particularly on what he has called "invented traditions", that is

> a set of practices, normally governed by overtly or tacitly accepted rules and of a ritual or symbolic nature, which seek to inculcate certain values and norms of behaviour by repetition, which automatically implies continuity with the past. [...] they are responses to novel situations which take the form of reference to old situations [...].[46]

Hobsbawm argues that the purpose of invented traditions is to legitimise human actions and increase group cohesion, particularly in periods of rapid social change; in this sense, nations are themselves a kind of invented traditions, together with nationalism and the nation-state.[47] Hobsbawm also underlines the role of elites in this process of "social engineering", by claiming that the "invention of tradition" was the main strategy to face the threat posed by mass democracy; this occurred particularly through the

[40] A. D. Smith, *Nations and Nationalism in a Global Era*, op. cit., p. 34.
[41] U. Özkirimli, *Theories of Nationalism*, op. cit., p. 83.
[42] The impact of perceptions and beliefs can be even stronger when these ideas are not part of formal doctrines enunciated by leaders, parties and States, but when they manifest as daily beliefs, not subject to rational scrutiny. Fred Halliday referred to these ideas as "informal ideologies" in F. Halliday, *The Middle East in International Relations. Power, Politics and Ideology*, Cambridge University Press, New York 2005, Part III. On the importance of perceptions see also Chapter 5 of the present work.
[43] *Ibid.*, p. 86.
[44] A. D. Smith, *Nations and Nationalism in a Global Era*, op. cit., p. 29.
[45] E. J. Hobsbawm, *Nations and Nationalism since 1780*, op. cit., p. 10.
[46] E. J. Hobsbawm, T. Ranger (eds), *The Invention of Tradition*, Cambridge University Press 1983, pp. 1-2.
[47] *Ibid.*, pp. 12-13.

development of primary education, the invention of public ceremonies, and the mass production of public monuments.[48]

Furthermore, Hobsbawm sees nationalism not only as the result of this political process of social engineering, but also as stemming from particular technological and economic developments. He stresses the importance of economies defined by state frontiers for the development of capitalism:

> During the lengthy period from the eighteen century to the years following World War II, there seemed to be little space and scope in the global economy for those genuinely extra-territorial, transnational or interstitial units which had played so large a part in the genesis of a capitalist world economy and which are today once again so prominent [...]. In fact, looking back over the development of the modern world economy [...] economic development was integrally linked to the 'national economies' of a number of developed territorial states [...].[49]

The subsequent assumption is that of 'nations' as second-best to world unity. What follows is, first, that the "principle of nationality" could only apply to entities of a certain size, and secondly, that the building of nations was seen as a mere process of expansion. This was clearly inconsistent with definitions of nations based on history, language and ethnicity, but Hobsbawm considers it of little importance since those were not, in the first place, the major criteria of liberal nation-making. He points out, however, that the national heterogeneity of nation-states was acceptable only because small nationalities had nothing to gain from refusing to merge into greater nations.[50]

Things begin to change, according to Hobsbawm, from the 1880s, when the political appeal of national slogans for the masses started to gain increasing importance; furthermore, any political answer to the issue of nationality was deemed decisive to engender particular political strategies. Before, in fact, "It did not matter that, for the great bulk of Italians, the Risorgimento did not exist. [...] But after 1880 it increasingly did matter how ordinary common men and women felt about nationality." [51] This transformation, also characterised by increasing daily bonds between Governments and their subjects or citizens, posed two political problems: on the one hand, technical-administrative problems, linked to the implementation of new forms of government, particularly after the French Revolution; on the other hand, the issue of citizen loyalty and identification with the state.[52] In Hobsbawm words:

> Even when the state has yet faced no serious challenge to its legitimacy or cohesion, and no really powerful forces of subversion, the mere decline of the older socio-political bonds would have made it imperative to formulate and inculcate new forms of civic loyalty (a 'civic religion' to use Rousseau's phrase), since other potential loyalties were now capable of political expression. [...] states required a

[48] *Ibid.*, p. 271.
[49] E. J. Hobsbawm, *Nations and Nationalism since 1780*, op. cit., p. 25.
[50] *Ibid.*, pp. 31-34.
[51] *Ibid.*, pp. 43-45.
[52] *Ibid.*, pp. 81-82.

> civic religion ('patriotism') all the more because they increasingly required more than passivity from their citizens.[53]

However, Hobsbawm highlights the difference between this "state-patriotism" and the nationalism that emerged at the end of the XIX century: the basic loyalty of nationalism was not to "the country", but to a particular version of it, to an "ideological construct". In spite of being a politically risky move, governments carried out a merger of state patriotism with non-state nationalism, building on unofficial nationalist sentiments of xenophobia or chauvinism, already present among the middle and lower middle classes.[54] This, together with the technical requirements of modern administrative states, contributed to the emergence of nationalism.

Another interesting explanation of the circumstances that brought about the need for nationalism is that of Ernest Gellner. Hobsbawm shares the definition of nationalism that Gellner provides in terms of "a political principle, which holds that the political and national unit should be congruent."[55] It has nothing to do with the awakening of nations, presented by nationalist thinkers as a "natural, God-given way of classifying men, as an inherent though long-delayed political destiny."[56] On the contrary, for Gellner nationalism is "the consequence of a new form of social organisation, based on deeply internalised, education-dependent high cultures, each protected by its own state. [...] nationalism, which sometimes takes pre-existing cultures and turns them into nations, sometimes invents them, and often obliterates pre-existing cultures."[57]

Nationalism is, in other words, a modern necessity, inextricably linked to the development of the modern state-system. Gellner believes that in pre-modern, agrarian societies, nations and nationalism were absent because of a particular social organisation and a relationship between power and culture that did not encourage rulers to impose cultural homogeneity on their subjects. As a matter of fact, states were more interested in extracting taxes and maintaining the status quo, rather than promoting cultural homogeneity through lateral communication between subject communities. Consequently, in agrarian societies there was simply no means to spread literacy and incorporate the masses in a high culture. It is this absence of cultural homogenisation that explains the absence of nations and nationalism.[58]

Things change, according to Gellner, with the advent of the industrial society. This kind of society, which relies on sustained and perpetual growth, requires a particular division of labour, one that is perpetually, and often rapidly, changing. In other words, the industrial society requires a certain degree of mobility, and this engenders a certain kind of egalitarianism as a consequence.[59] Being mobile, the members of the industrial society must be ready to shift from one activity to the other; they must possess a generic training and be able to communicate impersonally, without relying on a particular context. For

[53] *Ibid.*, p. 85.
[54] *Ibid.*, pp. 92-93.
[55] E. Gellner, *Nations and Nationalism*, op. cit., p. 1.
[56] *Ibid.*, p. 48.
[57] *Ibid.*, pp. 48-49.
[58] *Ibid.*, pp. 10-11.
[59] *Ibid.*, pp. 24-25.

these purposes, universal literacy and the use of a standardised linguistic medium become of paramount importance;[60] as a result, a higher degree of homogeneity becomes desirable. Thus the monopoly of legitimate education becomes increasingly more important. Only the state can sustain its cost and control such an important function, which also shapes the role of culture in the industrial society:

> Culture is no longer merely the adornment, confirmation and legitimation of a social order which was also sustained by harsher and coercive constraints; culture is now the necessary shared medium, the life-blood or perhaps rather the minimal shared atmosphere, within which alone the members of the society can breathe and survive and produce.[61]

Here is Gellner's main contention: it is not nationalism to impose homogeneity; on the contrary, it is the functioning of the industrial society that engenders the need for homogeneity, which is in turn reflected in nationalism:

> If it is the case that a modern industrial state can only function with a mobile, literate, culturally standardized, interchangeable population [...], then the illiterate, half-starved populations sucked from their erstwhile rural cultural ghettoes into the melting pots of shanty-towns yearn for incorporation into some of those cultural pools which already has, or looks as if it might acquire, a state of its own, with the subsequent promise of full cultural citizenship, access to primary schools, employment, and all.[62]

Nothing, in the emergence of nationalism, is thus necessary or inscribed in human nature. Nations are not natural, given entities, and it was not their supposed "awakening" that engendered nationalism. In Gellner's words, "nations can be defined only in terms of the age of nationalism", as they can only emerge "when general social conditions make for standardised, homogeneous, centrally sustained high cultures, pervading entire populations and not just elite minorities."[63] In other words, it is nationalism that engenders nations.

Another important contribution to the modernist side of the debate is that of Benedict Anderson, who refers to the nation as "an imagined political community – and imagined as both inherently limited and sovereign."[64] It is "imagined" because its members will never know most of their fellow-members, and yet each of them considers that there exist a bond, a communion that links them. Contrarily to Gellner, who equates the "invented" character of nations to their being false and fabricated, Anderson assimilates "invention" to "imagining" and "creation".[65]

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[60] *Ibid.*, p. 35.
[61] *Ibid.*, pp. 37-38.
[62] *Ibid.*, p. 46.
[63] *Ibid.*, p. 55.
[64] B. Anderson, *Imagined Communities. Reflections on the Origin and Spread of Nationalism*, Verso, London 2006 [1983], p. 6.
[65] *Id.*

Anderson claims that, to understand the emergence of such imagined communities, the cultural roots of nationalism must be taken into account. He particularly refers to the cultural systems that preceded the advent of nationalism: the religious community and the dynastic realm. It was their decline, ever since the end of the XVIII century, that made the rise of nations and nationalism possible. Anderson considers the decline of the religious community as linked, on the one hand, to the exploration of the non-European world and the subsequent discovery of alternative forms of human life; on the other hand, such decline was also due to the gradual decay of Latin, the sacred language of the European intelligentsia, and its substitution with vernacular languages thanks to print-capitalism, a process that gradually led to fragmentation, pluralisation, and territorialisation.[66] As for the dynastic realm, Anderson explains its decline by considering that, since the XVII century, the legitimacy of the monarchy in Western Europe was not taken for granted anymore.[67]

It is important to point out, however, that Anderson does not consider the imagined communities of nations as replacing religious communities and dynastic realms. In his explanation of the emergence of a national consciousness, he assigns particular importance to the primacy of capitalism, and especially to one of its earlier forms: print-capitalism. The capitalist book market was initially destined to readers of Latin. In approximately 150 years, this market was saturated, and the inherent, profit-oriented logic of capitalism led publishers to produce cheaper editions in the vernaculars. This process was also helped by the gradual adoption of some vernaculars as administrative languages. According to Anderson, these developments contributed to shaping national consciousness: first, they created "unified fields of exchange and communication below Latin and above the spoken vernaculars", enabling speakers of the several varieties of "Frenches, Englishes and Spanishes" to understand one another; in this way, "they gradually became aware of the hundreds of thousands, even millions, of people in their particular language-field, and at the same time that *only those* hundreds of thousands, or millions, so belonged. These fellow-readers [...] formed [...] the embryo of the nationally imagined community". Second, print-capitalism gave a more fixed form to these vernaculars, building for them an image of antiquity which is crucial to the idea of nation. Finally, these vernaculars were elevated to the status of languages of power.[68] In short, Anderson emphasises an interplay between a system of production and productive relations (capitalism), technology (print), and the "fatality of human linguistic diversity".[69]

Modernist scholars have been criticised on various grounds. A thorough review of such critics goes beyond the aim of this work, so only a few examples will be taken into account. Broadly speaking, it has been maintained that modernist theories cannot explain why so many people are prepared to die for their nations. This criticism especially addresses the modernist "top-down" method for explaining the rise of nationalism, which emphasises the role played by elite manipulation of the masses and processes such

[66] *Ibid.*, pp. 12-19.
[67] *Ibid.*, p. 21.
[68] *Ibid.*, pp. 44-45.
[69] *Ibid.*, pp. 42-43.

as industrialisation and capitalism.[70] In recent years, it has been pointed out that more formal ideologies go hand in hand with more informal beliefs linked to everyday ideas and perceptions,[71] and which could explain the kind of commitment that pushes millions of people to sacrifice their lives for their "fatherlands".

As for Hobsbawm, he has been accused of making wrong predictions concerning the future of nationalism. He believed, in fact, that nationalism could no longer be considered a decisive factor in historical developments, as globalization kept gaining ground.[72] On the contrary, nationalism is all but dead, even in advanced industrial societies; in addition, some of its extreme manifestations, such xenophobia and ethnic violence, have increased.[73]

Gellner, on the other hand, has been accused of misreading the relationship between industrialization and nationalism: nationalism has in fact preceded industrialization in many places, such as parts of the Ottoman Empire; in other cases, nationalism appeared in places characterised by high levels of industrialisation, such as Nazi Germany, fascist Italy and Japan in the 1920s-30s.[74]

Anderson, instead, has been criticised because of the relationship he theorised between nationalism and religion: according to his critics, religion is not always replaced by nationalism; some go as far as to argue that religion and nationalism thrive together, since world religions have often provide myths, symbols and memories which are the basis of modern nations.[75]

More important for the purpose of this research, however, are the attempts made to distinguish European and non-European forms of nationalism, together with the several accusations of Eurocentrism that have been addressed to general theories of nationalism. Considering these alternative views is crucial to address non-European forms of nationalism and head towards the study of Arab nationalism.

VARIATIONS ON A THEME: DEFINING EUROPEAN AND THIRD WORLD NATIONALISM

At the beginning of a study focusing on Arab nationalism,[76] German political scientist Bassam Tibi examines the various attempts that have been made to explain the relationship between nationalism and nation formation in the underdeveloped world, as he acknowledges that a previous distinction between Third World and European varieties of nationalism is necessary to study the emergence of Arab nationalism.

He first considers Marxist analyses, which have particularly addressed the issue of subject and colonised peoples, and their aspiration for emancipation. Marxist analyses have the merit of underlying that the formation of national states proceeded in parallel with the emergence of capitalism, which

[70] A. D. Smith, *Nations and Nationalism in a Global Era*, op. cit., p. 40.
[71] Here the reference is, again, to Halliday's *The Middle East in International Relations*, op. cit., where he discusses the so-called "informal ideologies".
[72] E. J. Hobsbawm, *Nations and Nationalism since 1780*, op. cit., Chapter 6.
[73] A. D. Smith, *Nations and Nationalism in a Global Era*, op. cit., pp. 42-43.
[74] E. Kedourie, *Nationalism*, op. cit., p. 143.
[75] A. D. Smith, 'The Nation: Invented, Imagined, Reconstructed?', in *Millennium, Journal of International Studies* 20(3), 1991, p. 364.
[76] B. Tibi, *Arab Nationalism between Islam and the Nation State*, MacMillan 1997 [1981], 3rd ed.

inevitably implies particular power relations between stronger and weaker countries. As such, international relations are seen as characterised by subjection and domination similar to those existing between social classes in each society. Exploitation was thus simply reproduced on a larger scale: it became "cosmopolitan exploitation".[77] However, the point of view of these analyses is limited since, as Tibi observes, "apart from Poland and Ireland, Lenin gave little consideration to the rights of small nations to form their own states as a step towards emancipation."[78]

Tibi then moves on to consider an approach typical of American political scientists in particular: the modernisation theory. According to this theory, nationalism in the Third World emerged as an anti-colonial "modernisation ideology", aiming to face problems related to the transition from traditional, underdeveloped societies to modern, industrialised societies. John Kautsky, one of the supporters of this theory, believed that the nationalists who brought about social change and modernisation were Western-educated intellectuals, who absorbed Western ideas and then applied them to their colonial situation.[79] He also drew a distinction between European and colonial forms of nationalism: the former, emerged between the XVIII and the XIX century, rested on clear-cut nationalities, on culturally and linguistically cohesive groups whose development went hand in hand with the gradual emergence of capitalism and industrialisation; the latter, on the other hand, was apparently not based on nationality. As a consequence, Kautsky argued, Third World nationalism cannot be analysed by means of the same categories and concepts derived from European history.[80] His argument is, however, all but flawless: as Tibi notices, although Kautsky recognised the existence of differences between European and Third World nationalisms, he kept using abstract categories to describe concrete historical processes. This is why he could not explain why nationalism, which is supposed to be a modernising ideology, does not always have a modernising effect for the colonies; more often, it is in fact used as a means to divert national energies and attention from the lack of modernisation to the need to fight a foreign enemy.[81] And these are still, indeed, some of the limits of the primordialist perspective.

Just like the modernisation theory, the acculturation theory[82] believes nationalism to be carried by European-educated intellectuals, who absorb the European idea of nation; however, the role of modernisation is no longer considered central. What prevails in the analysis is the concept of nationalism as emerging from a process of acculturation, of "imitative adaptation" of Western culture. According to

[77] K. Marx, 'Speech on the Question of Free Trade', in *Collected Works*, vol. vi, London 1976, pp. 450-65, quoted in B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 41.
[78] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 60.
[79] J. H. Kautsky, 'An Essay in the Politics of Development', in J. H. Kautsky, (ed.), *Political Change in Underdeveloped Countries, Nationalism and Communism*, New York 1967, p. 48.
[80] *Ibid.*, pp. 33 ff.
[81] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 47.
[82] The acculturation theory was the major outcome of modernist critical revisions of diffusionism in American anthropology. In the late 1920s and early 1930s, it was especially Ruth Benedict that pointed out the greater role of integration rather than that of disparate accretion in the workings of culture (R. Benedict, *Patterns of Culture*, Houghton Mifflin Company, New York 2005 [1934]). Defined by Herskovits as "cultural transmission in process" (M. J. Herskovits, *Man and His Works: The Science of Cultural Anthropology*, Alfred A. Knopf, Inc., New York 1948, p. 523), acculturation implies a shift of the attention from the externalities of the cultural circulation of isolated traits to context and reactions to foreign cultural influences.

Behrendt,[83] since traditional social bonds like kinship, tribe and hierarchy are not sufficient to encourage the mobilisation necessary to overcome underdevelopment, national consciousness and nationalism affirmed themselves as a means of emancipation against the colonial rule. In this sense, the nation-state is seen by colonised peoples as a mechanism to achieve social and economic development, and it acquires legitimacy precisely because it takes responsibility for the implementation of development policies and the assistance that was previously a prerogative of traditional social units such as tribes.[84] However, Behrendt does not consider the nation-state in the colonial world as a real means of emancipation. On the contrary, it can be an impediment to development: it is an alien form of organisation for the colonial world, and any tribe and language group could declare itself to be a nation, with potentially anarchic outcomes. He concludes that nationalism can only divert the attention of the masses from their governments' responsibilities. Making matters worse, nationalism has lately veered towards forms of "nativism", so it has brought less good than expected to underdeveloped countries.[85] The main limit of Behrendt's analysis, Tibi observes, is that it "stops exactly at the point where he would have been required to explain why the national state has in fact failed in socially and economically backward countries", making it impossible to "work out a practical strategy for overcoming problems of development and underdevelopment."[86] Similarly to the modernisation theory, the acculturation theory sees transformation processes as arising uniquely from Western influence, thus failing to consider actual political, historical and social realities. As a consequence, the difficulties faced in the realisation of local solutions - or their failure - have been ascribed to limitations inherent to the colonial peoples and their cultures. Hence, these theories have proved of little help in offering practical solutions.

The last approach analysed by Tibi is that of Frantz Fanon. Considered by many the leading anti-colonialist thinker of the XX century, Fanon saw nationalism in the Third World as part of an anti-colonial revolutionary struggle, and nation formation as a result of decolonisation. By maintaining that "violence... in action is all-inclusive and national",[87] Fanon deduced that integration and cohesion in the colonial world were only possible by means of anti-colonial violence, while in Europe nationalities had developed following the emergence of capitalism and industrialisation. This is, according to Fanon, the fundamental difference between the rise of nationalities in Europe and in the Third World. In addition, Third world nationalism is characterised by the awareness of pre-colonial culture, which becomes all the more important since the contact with Western culture and education are perceived as a threat to identity: "Because they [the native intellectuals] realise they are in danger of losing their identities and thus becoming lost to their people, these men, hot-headed and with anger in their hearts, are relentlessly determined to renew contact with the oldest and most authentic pre-colonial springs of life of their

[83] Here Behrendt's theory is analysed on the basis of the review written by Tibi, who refers to R. F. Behrendt, *Soziale Strategie für Entwicklungsländer, Entwurf einer Entwicklungsstrategie*, Frankfurt/Mein 1965, pp. 331-355.
[84] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., pp. 49-50.
[85] *Ibid.*, pp. 50-51.
[86] *Ibid.*, p. 51.
[87] F. Fanon, *The Wretched of the Earth*, London 1967 [1961], p. 74.

people."[88] This nationalism, however, is a helpless protest and it is unable, by itself, to change the colonial situation. Like Behrendt, Fanon underlined that, after the battle against colonialism and notably after gaining independence, the only way to safeguard political solidarity is the implementation of development policies. This, however, has not occurred: newly independent countries have seen nationalism, once an anti-colonialist force, become the integrative ideology of the ruling national bourgeoisie. Rather than promote the mobilisation of social classes for development, nationalism was transformed into a means of transferring to the national bourgeoisie the privileges previously enjoyed by the colonisers, thus diverting the attention of the masses from their frustrated aspirations and their rulers' failures. Fanon wrote: "Long speeches will be made about the artisan class. Since the middle class finds it impossible to set up factories that would be more viable both for themselves and for the country as a whole, they will surround the artisan class with a chauvinistic tenderness",[89] idealising pre-colonial culture and transforming the struggle against colonial rule in a comprehensive rejection of whatever is (or is perceived as) Western, including industrialisation and modernity. In conclusion, nation formation was achieved not in an evolutionary manner, but by force, while the use of the nationalist language sided with the adoption of an anti-industrial position gave rise to a chauvinistic form of nationalism, thus undermining emancipation and development.

Although this short review has considered only a few examples of theories on Third World nationalism, it should be clear that assumptions about the Western character of the literature on nationalism are, with some exceptions, quite correct, even when considering the studies criticising the Eurocentric nature of the mainstream literature.[90] Complications in this sense are due to the fact that the point of view adopted is often a Western one, and Western categories are used to explain phenomena occurring in particular historical and social circumstances. This has also occurred in several studies concerning the Middle East and specifically the Arab world.

According to Zubaida, for example, all general theories of nationalism – including modernist explanations – take a certain "sociological homogeneity" for granted. In other words, they believe ideological and political phenomena to be engendered by common social structures and processes.[91] Such processes, however, cannot be generalised, and comparisons cannot be made between different social contexts. Regional and historical variations must always be taken into account. Failing to do so, and considering nationalism as a mere ideology lacking any link to the historical and social setting, results in the so-called essentialism, and for instance to claims that Muslim societies share cultural elements that determine their history, and therefore social and political developments. Not only is this assumption spread in the West, but it has also influenced Islamist movements in the Middle East. As a result, a misleading and ahistorical conception of Islam is spread, according to which Islam is monolithic and immune to change. In the words of Ghassan Salamé: "The idea of an Arab and/or Islamic

[88] *Ibid.*, pp. 168-169.
[89] *Ibid.*, p. 121.
[90] U. Özkirimli, *Theories of Nationalism*, op. cit., p. 7.
[91] S. Zubaida, 'Theories of Nationalism', op. cit., p. 56.

'exceptionalism' has thus re-emerged among both western proponents of universal democracy and established orientalists, and this in turn has encouraged a great many local apologists of 'cultural authenticity' in their rejection of western models of government."[92] As a result, it is easy to claim that democracy and the nation-state are not compatible with Muslim countries, because their culture is not compatible with the ideal (from a Western standpoint) characteristics that a State is supposed to have. The alternative proposed by Zubaida seems preferable, as it is more accurate in addressing the cultural *specificity* (and not the cultural *essentialism*) of the Middle East and its history.

Restricting the analysis to Arab-Islamic essentialism is precisely what engenders stereotyped and distorted conceptions of the Middle East, as pointed out by Edward Said. He used the term Orientalism to refer to the distorted ways of looking at the region in general, and at Arab nationalism in particular. Orientalism is a set of Western representations of the "man-made Orient", formulated in the context of Western political dominance. According to Said, these representations are more relevant as a discourse rather than as a faithful representation of the real, diverse experiences of people living in the Middle East. Said has defined Orientalism as

> a style of thought based upon an ontological and epistemological distinction made between 'the Orient' and (most of the time) 'the Occident' [...] the corporate institution for dealing with the Orient [...] by making statements about it, authorizing views of it, describing it, by teaching it, settling it, ruling over it: in short, Orientalism as a Western style for dominating, restructuring, and having authority over the Orient.[93]

As such, Orientalism can hardly be said to have existed before the expansion of modern bourgeois Europe. Because of the geopolitical awareness and the interests that lie behind the Orientalist discourse, Orientalism is not an impartial field of research and knowledge:

> Because of Orientalism the Orient was not (and is not) a free subject of thought or action. This is not to say that Orientalism unilaterally determines what can be said about the Orient, but that it is the whole network of interests inevitably brought to bear on (and therefore always involved in) any occasion when that peculiar entity "the Orient" is in question.[94]

Orientalist representations also give rise to debates about identity, which are important insofar as identities create outsiders and enemies. In Said's words:

> these processes [of identity construction] are not mental exercises but urgent social contests involving such concrete political issues as immigration laws, the legislation of personal conduct, the constitution

[92] G. Salamé (ed.), *Democracy without Democrats? The Renewal of Politics in the Muslim World*, I. B. Tauris, London-New York 1994, p. 1.
[93] E. Said, *Orientalism*, Pantheon Books, New York 1978, pp. 2-3.
[94] *Ibid.*, p. 3.

> of orthodoxy, the legitimization of violence and/or insurrection, the character and content of education, and the direction of foreign policy, which very often has to do with the designation of official enemies. In short, the construction of identity is bound up with the disposition of power and powerlessness in each society, and is therefore anything but mere academic wool-gathering.[95]

Said's work has met with a great deal of criticism. Sadiq Jalal al-'Azm's notion of "orientalism in reverse" (*al-istishraq ma'kusan*)[96] is a case in point. Al-'Azm, a Syrian Marxist philosopher, criticised Said pointing out that he ended up "essentialising the Occident" while blaming imperial powers for "essentialising the Orient":

> [...] we find Said [...] tracing the origins of Orientalism all the way back to Homer, Aeschylus, Euripides and Dante. In other words, Orientalism is not really a thoroughly modern phenomenon, as we thought earlier, but is the natural product of an ancient and almost irresistible European bent of mind to misrepresent the realities of other cultures, peoples and their languages... Here the author seems to be saying that the 'European mind', from Homer to Karl Marx and A. H. R. Gibb, is inherently bent on distorting all human realities other than its own.[97]

This way, al-'Azm observed, Said's reconstruction of the emergence and peculiarities of Orientalism ends up strengthening the ontological, *essential* distinction between "Orient" and "Occident", of which Said actually wanted to get rid, together with its implied marks of racial superiority and inferiority.[98]

In addition to Edward Said's Orientalism, another striking critic of the Eurocentric character of the literature on nationalism comes from Partha Chatterjee, an Indian political philosopher who has attempted a reinterpretation of South Asia's history from the point of view of its inhabitants. The starting point of his argument is a critic of Western theories of Third World nationalism, both liberal and Marxist, as they have deemed their assumptions universally valid. Chatterjee has especially drawn the attention to the so-called "liberal dilemma": with this term, he referred to the fact that the liberal historiography sees nationalism as an integral part of the process leading to liberty and progress. However, not only is such a view partial and typically Western; it also overlooks the fact that liberty and nationalism have in fact been clashing with each other in many cases in the modern and contemporary world: nationalism has been the cause of destructive wars, and a justification for Nazism, Fascism, racial hatred, revivalist movements and oppressive political regimes. According to Chatterjee, such impasse has pushed scholars like Hans Kohn to postulate a distinction between "good" and "evil", or "Western" and "non-Western" forms of nationalism, in seeking to explain why a liberal idea can be corrupted and produce illiberal movements and regimes.[99] In this sense, nationalism is said to have changed from an expression of aspirations

[95] *Ibid.*, p. 332.
[96] S. J. al-'Azm, *al-Istishraq wa al-istishraq ma'kusan* [Orientalism and Orientalism in Reverse], Beirut 1981.
[97] S. J. al-'Azm, 'Orientalism in Reverse', in G. Ritzer, Z. Atalay (eds.), *Readings in Globalization. Key Concepts and Major Debates*, Wiley-Blackwell, 2010, p. 55.
[98] *Ibid.*, pp. 55-56.
[99] P. Chatterjee, *Nationalist Thought and the Colonial World. A Derivative Discourse*, Zed Books, London 1986, pp. 2-3.

towards liberty and democracy, at the time of the French Revolution, to a force that eventually restricts liberty, claiming superiority over it. As Kohn wrote, "it is different in 'underdeveloped' countries, where nationalism still contains elements of human progress, as it once did in the West".[100]

Furthermore, Chatterjee considered that Western education and ideas such as nationalism have been imposed on non-Western people, who find themselves today still subject to Western rational discourse, even after asserting their freedom from European domination. This led him to identify the endurance of the Western rational discourse as the main cause of the resistance of the structure of power that non-European peoples had tried to demolish, also by means of alternative, local (and nonetheless nationalist) discourses. As a consequence, and similarly to Fanon's conclusion, Chatterjee argued that Third World nationalism has been changed by ruling classes into a state ideology for the legitimisation of their own rule. With his remarks, he especially targeted Anderson's concept of nation as an "imagined community":

> If nationalisms in the rest of the world have to choose their imagined community from certain 'modular' forms already made available to them by Europe and the Americas, what do they have left to imagine? History, it would seem, has decreed that we in the postcolonial world shall only be perpetual consumers of modernity. Europe and the Americas, the only true subjects of history, have thought out on our behalf not only the script of colonial enlightenment and exploitation, but also that of our anti-colonial resistance and postcolonial misery. Even our imaginations must remain forever colonized.[101]

As a consequence, Chatterjee saw nationalism in Asia and Africa not as a political movement arising from considerations on identity, but rather as a reaction against colonialism, a phenomenon rooted in the difference with the forms and images spread by the modern West.[102] For the purpose of emphasising these differences, anti-colonial nationalism sets off to carve itself a niche, a domain of sovereignty within the colonial society. As Chatterjee explained,

> It does this by dividing the world of social institutions and practices into two domains - the material and the spiritual. The material is the domain of the 'outside', of the economy and of statecraft, of science and technology, a domain where the West had proved its superiority and the East had succumbed. In this domain, then, Western superiority had to be acknowledged and its accomplishments carefully studied and replicated. The spiritual, on the other hand, is an 'inner' domain bearing the 'essential' marks of cultural identity. The greater one's success in imitating Western skills in the material domain, therefore, the greater the need to preserve the distinctness of one's spiritual culture.[103]

[100] H. Kohn. *The Idea of Nationalism*, op. cit., p. 20.
[101] P. Chatterjee, 'Whose Imagined Community?', in G. Balakrishnan (ed.), *Mapping the Nation*, Verso, London 1996, p. 216.
[102] *Ibid.*, pp. 216-217.
[103] *Ibid.*, p. 217.

As a result, nationalism keeps the colonial state out of its sovereign, "inner" domain of national culture. However, the spiritual domain is not left unchanged: in fact, "here nationalism launches its most powerful, creative, and historically significant project: to fashion a 'modern' national culture that is nonetheless not Western". This is where and how the nation as an imagined community is forged. Its story does not begin, as Anderson believed, with the quest for political power.[104] It is thus necessary to turn to another concept in order to better understand Third World and Arab nationalism: cultural nationalism.

Nations before States: cultural nationalism

As it clearly emerged in this short review, many theories and approaches still rely on the European model for the analysis of nationalism, and consider it universally applicable, thus preventing a real understanding of other historical forms of state formation. In underdeveloped countries, nation formation must be understood in terms of creation of group cohesion and group loyalty.[105] For these countries, overcoming foreign domination is only the beginning; the real problem they have to face, it has already been pointed out, is the creation of an authority able to mobilise all social forces and pursue development. Unless this authority takes responsibility for the masses' demand for development and assistance, it will not obtain any rational legitimacy. It has to be acknowledged – and this is often overlooked – that history provided a very peculiar context in which to attempt the achievement of these objectives: the nation, for emancipation and political legitimacy, and the institutional framework of the nation-state for the pursuit of development.[106] Thus nation formation, political legitimacy, development and the overcoming of traditional forms of social commitment are inextricably linked:

> If the assertion of the nation as the legitimate sovereign authority is accompanied by a meaningful development policy, it may then be possible to overcome pre-national forms of social commitment, and thereby to reach a level of cohesion capable of setting mobilisation processes in motion. In the colonial countries, therefore, *nation* formation is not identical with *state* formation [emphasis added], which is merely the achievement of political independence. Nation formation can only come about when the tribal, ethnic, linguistic and cultural differences within a single national structure have been dissolved. In these countries nation formation has not grown organically out of the past, as in Europe, but depends on an integrative policy as part of an overall development strategy.[107]

Albeit necessary, a careful analysis of the historical background and a distinction between the national state (defined as a social institution) and the nation (defined as the legitimisation of any political authority) are not sufficient for a thorough understanding of nationalism in the Third World and, more

[104] *Ibid.*, pp. 217-218.
[105] C. J. Friedrich, 'Nation-Building?', in K. W. Deutsch and W. J. Foltz (eds.), *Nation-Building*, New York 1963, p. 31.
[106] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 62.
[107] *Ibid.*, p. 63.

specifically, in the Arab world. A preliminary distinction is needed, one between the two stages of nationalism: "In the beginning, nationalism manifests itself as a *cultural* defence mechanism while later it becomes an expression of the aspirations for a national state. At this stage it has become *political* [emphasis added]."[108]

While political nationalism is focused on the achievement of political autonomy, cultural nationalism is focused on the cultivation of a nation, intended as a moral community, and to the revival of an alleged national community's culture. It is generally believed that the need to express a community's identity, history and destiny in terms of cultural nationalism arises especially in times of social, cultural and political unrest linked to the impact of modernity, and often in the early phase of a national movement, although it can also manifest itself in long-established national states.[109] Not all scholars, however, accept this definition of cultural nationalism as separated from political nationalism, as all national movements are believed to contain both political and cultural elements.[110] Nonetheless, while it is true that simply assessing the prevalence of the cultural element over the political one – or the other way round - is of little use, this dichotomy can shed light on the origin of national movements in different social and historical circumstances. It can also explain in what sense nation formation and state formation are two different processes in colonial countries.

An interesting, albeit criticised, interpretation of the relationship between cultural and political nationalism has been provided by Hans Kohn. He started by considering as a discriminating factor the experience – or the lack thereof - of successful bourgeois-democratic revolutions; this has enabled him to draw a distinction between two typologies of countries: on the one hand, France, Great Britain and the US, characterised by a bourgeois rule legitimised as that of the whole nation, and where therefore the idea of nation without a national state was inconceivable; on the other hand, he considered more "backward" European countries like Germany, where the nation was transfigured into a cultural vision in which the state had no role. These features had, in turn, an effect on the way nationalism manifested itself:

> Where the third estate became powerful in the eighteenth century—as in Great Britain, in France and in the United States—nationalism found its expression predominantly, but never exclusively, in political and economic changes. Where, on the other hand, the third estate was still weak and only in a budding stage at the beginning of the nineteenth century, as in Germany, Italy, and among the Slavonic peoples, nationalism found its expression predominantly in the cultural field. Among these peoples, at the beginning it was not so much the nation-state as the *Volksgeist* and its manifestations in

[108] *Ibid.*, p. 61.
[109] J. Hutchinson, 'Cultural nationalism', in J. Breuilly (ed.), *The Oxford handbook of the history of nationalism*, Oxford 2013, pp. 75-96.
[110] See, for instance, O. Zimmer, 'Boundary mechanism and symbolic resources: towards a process-oriented approach to national identity', in *Nations and Nationalism*, 9/2 (2003), pp. 173-193. Zimmer argues that there is no distinction between civic and ethnic forms of national identity; the distinction should be between, on the one hand, the *mechanisms* of construction of national identities and, on the other hand, the *symbolic resources* used to reconstruct such identities.

> literature and folklore, in the mother tongue, and in history, which became the centre of the attention of nationalism.[111]

Hence the basic distinction between state and nation, where the latter is seen in cultural terms. Defined as such, the notion of cultural nationalism can be combined with Fanon's violent anti-colonial nationalism in what can be called "counter-nationalism": while French and Anglo-American nationalism was the philosophical expression of the bourgeois-democratic revolution, German, Slav and anti-colonial nationalism emerged as a reaction to an external challenge, both ideological and military; this type of nationalism was more concerned with political independence rather than with the creation of liberal democratic institutions.[112]

In this sense, cultural nationalism is also representative of former colonies, including the Arab world, where Arab cultural nationalism emerged in the XIX century in the form of a literary renaissance that had nothing to do – at least in its earliest phase – with political theories or demands for the creation of an independent national state. This was because there were no conditions for the existence of a political movement in the Middle East of the XIX century, so Arab nationalists restricted themselves to celebrating the Arab cultural nation. The origin of revitalisation movements such as Arab nationalism can also be explained in the light of the acculturation theory, because of the central role of Western-educated intellectuals in reactivating indigenous cultural elements. It is important to observe that the return to pre-colonial history had a strong bias in favour of modernisation, because Europeanised intellectuals found themselves neither accepted by the colonisers as their peers, nor considered belonging to the traditional social order by their people.[113] This return to the past can thus be interpreted as an attempt to overcome cultural alienation and find a new, more inclusive, identity. Only later did Arab cultural nationalism assume a political connotation, as a reaction against Turkish nationalism and Pan-Turkism, and also against the prospects of European colonial control, notably after World War I.[114] Considering the context in which Arab nationalism emerged and developed is thus of paramount importance.

GENESIS: FROM ARABISM TO ARAB NATIONALISM

The historical background

If it is undeniable that Arabism and Arab nationalism have emerged and developed under the influence of Europe and its ideas, it should not be forgotten that some local conditions are needed for external influences to be assimilated and take some effect. This is why it is necessary to understand the social structure of the Ottoman Empire and the legitimacy of Ottoman rule. Generally speaking, the Ottoman Empire was a feudal state, organised as a military bureaucracy. Waging war and agriculture were the

[111] H. Kohn, *The Idea of Nationalism*, op. cit., p. 4.
[112] H. Kohn, 'Arndt and the Character of German Nationalism', in *American Historical Review*, Liv (1949) No. 4, p. 789.
[113] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 67.
[114] M. Haddad, 'The Rise of Arab Nationalism Reconsidered', in *International Journal of Middle East Studies*, Vol. 26 No. 2 (May, 1994), p. 213.

main concerns, while the development of the productive forces in the conquered areas, including commercial activities, tended to be left to the Europeans and the non-Muslims minorities of the Empire who had no political power within society, such as Greeks, Armenians and Jews. As for the Muslim subjects, they were mainly engaged in military duties. It has been argued that this kind of social reproduction has contributed to turning the cultural wealth of the Abbasid period into cultural stagnation under the Ottomans.[115]

Admittedly, the appearance and diffusion of both secular and religious movements in the Middle East were at first a reaction to the historical decline diffusedly perceived in the Ottoman Empire and in the Arab world in particular. Bernard Lewis underlined the close link between these perceptions and the decay of the Ottoman Empire, ever since the XVI century.[116] However, rather than in terms of decline, the first part of this process would be described more correctly in terms of stagnation, and this subtlety might allow for further precision. As a matter of fact, while an evident decline can be promptly dealt with, technical, cultural and scientific stagnation might not be as obvious, especially if mechanisms of denial delay efforts to reverse the trend. In this sense, a major role was played by the way the Ottomans looked down on their Christian opponents during the XVI century, also owing to their several military victories.[117] It should also be noted that this is a recent interpretation: at the time of the confrontation with European progress there was no awareness of such implications. Furthermore, the Ottoman Empire was a multifaceted reality, and the Arab world was only a part of it; as a consequence, the sense of humiliation and hopelessness which is today so spread in the Arab world[118] does not necessarily stem from the end of the Ottoman Empire.

Subtleties left aside, the decline that followed the phase of stagnation first manifested itself as a military disadvantage compared to the main European powers: the Ottomans started experiencing defeats with the failed siege of Wien in 1683, which is considered the turning-point in power relations not only between the Ottoman Empire and Europe, but also between Islam and the Christian West.[119] This pushed the Ottomans to invite European military instructors and create schools for officers and cadets to be trained in the art of war in a European fashion. Later, the actual decline was confirmed by the progress and development experienced in Europe following the French political Revolution and the British Industrial Revolution, while the Ottoman Empire, also pressured by internal rivalries and the rulers' inertia, started to show the symptoms of that decay which later won it the label of "Sick man of Europe".

But the real turning point in the relationship between the Islamic world and Europe was Napoleon's expedition to Egypt in 1798, and it was bound to have a long-lasting influence over the whole region. Although its first aim was to block Britain's route to India, it is widely recognised by historians and social scientists as the beginning of the history of the modern Middle East, as well as that of modern

[115] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., pp. 77-79.
[116] B. Lewis, *The Shaping of the Modern Middle East*, Oxford University Press 1994 [1964], pp. 28 ff.
[117] A. Barbero, *Il divano di Istanbul*, Sellerio editore, Palermo 2015, p. 62.
[118] D. Moïsi, *The Geopolitics of Emotion. How Cultures of Fear, Humiliation and Hope are Reshaping the World*, Anchor Books, New York 2010, pp. 56 ff. On the feeling of humiliation suffered by Arabs see also Chapter 5 of the present work.
[119] B. Lewis, *The Middle East: A Brief History of the Last 2,000 Years*, Scribner, New York 1995, p. 276.

Egypt, for it marks the beginning of externally generated social change in the region. First of all, Napoleon's expedition indirectly encouraged the separation of Egypt from the rest of the Ottoman Empire: the introduction of the country to European progress,[120] in fact, fuelled the ambitions of an Albanian officer, Muhammad 'Ali, who eliminated the Mamlukes and declared himself viceroy of Egypt in 1801. The country ceased to be an Ottoman province, and since Muhammad 'Ali was aware that his power could only be stabilised through the creation of a modern, centralised state administration, a rational economic system, and a modern army, he continued the work that Napoleon and his expedition had begun.[121] The State became the only vehicle for social change through industrial and agrarian policies: several - rather unsuccessful - attempts at industrialisation were made; the *iltizam* or fief system was abolished, all land became state property, including that of the '*ulama*, who were thus deprived of their political and economic power.[122] After Muhammad 'Ali's death, the state's monopoly over agriculture and industry was abolished and the bureaucracy took advantage of its position to obtain land; the country, however, did not fall back to feudalism, as an economic development based on capitalist principles had already started. One of the reasons behind the stagnation of Egypt's industrialisation and the fact that the Egyptian middle class mainly concerned itself with the agricultural and commercial sectors was the British colonial policy, that resulted in Egypt becoming a proper British colony in 1882. In addition, British rule nullified – or at least reduced – French cultural influence.[123]

For one thing, the expedition had a significant influence on Ottoman perceptions of the Empire's ability to face external threats: firstly, because Napoleon occupied Egypt almost effortlessly; secondly, because it became clear that only the intervention of another colonial power, Great Britain, could force French troops out of the region.[124] In addition, the expedition intensified contacts between the Middle East and Western Europe, with a dramatic impact on political and cultural life brought about by the transfer of the "ideas of the French Revolution embodied in a European army",[125] in Albert Hourani's words. In fact, not only did external influence provide a new model of political, social and economic organisation; it also manifested itself as a process of acculturation, of absorption of modern European culture: on the one hand, students and officers were sent to Europe to be educated and trained, giving rise to the first generation of European-educated Arab intellectuals and the beginning of national thinking in the Arab world, particularly under the lead of the Egyptian Rifa'a al-Tahtawi; on the other hand, Christian missions were sent to the Middle East and contributed to the Arab literary renaissance, together with the emergence of secularism brought about by Muhammad 'Ali's reform in Greater Syria, whose historical development is crucial to understand the Arab (cultural) national movement and how it became politicised.

[120] Nonetheless, the colonial intentions of the French, presented as a *mission civilisatrice*, have always been evident.
[121] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 82.
[122] G. Baer, *A History of Landownership in Modern Egypt 1800-1950*, London 1962, pp. 1 ff.
[123] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., pp. 83-84.
[124] B. Lewis, *The Middle East: A Brief History of the Last 2,000 Years*, op. cit., p. 283.
[125] A. Hourani, *Arabic Thought in the Liberal Age*, London 1962, p. 49.

Rifa'a al-Tahtawi and the beginning of Arab national thinking

The period of reform (*Islah*) inaugurated by the rise of European powers and influenced by the colonial experience saw the attempts of some Arab and Muslim scholars to explore the relationship between Islam and modernity to catch up with Europe. The pioneer thinker of the reformist period was the Egyptian Rifa'a al-Tahtawi (1801-1873).[126] He was from Tahta, in Upper Egypt, and member of a family with an ancient tradition of religious learning. After completing his studies at al-Azhar, between 1826 and 1831 he was sent by Muhammad 'Ali to study in Paris, as part of a modernisation plan to be put into practice with the assistance of French experts. Paris, as a modern European society, deeply affected al-Tahtawi. He acquired a deep knowledge of the French language and enthusiastically studied ancient history, Greek philosophy, geography, arithmetic and the works of the most prominent European thinkers, such as Montesquieu, Rousseau and Voltaire. He also assiduously worked on translation, so as to enable his fellow countrymen to have access to those works, and thus enabling other Arab intellectuals to absorb European bourgeois ideas. After his return to Egypt, he published a description of his experience in France;[127] later, he focused on a work about Egyptian politics and society.[128] His ideas, however, are expressed in a very traditional way: not only does he refers to the example of the Prophet; his conception of the state and the political authority is also a conventional Islamic view, far from the liberalism he could observe in Paris.

Yet, the main concern of al-Tahtawi was not Islam, but the decline of Muslim countries. Being particularly interested in finding the limits that prevent power from declining, he was inspired by Montesquieu's theory on the separation of powers and interpreted it in Islamic terms, especially referring to the '*ulama*'s advisory role. This was supposed to consist in a reopening of the Gates of *Ijtihad*,[129] that is, in a modern reinterpretation of the Islamic law and tradition. Broadly speaking, though, society as a whole (including scientists, engineers and all those who detain the knowledge at the basis of modern civilisation), beside doing the will of God, had to achieve prosperity, which is identified with the progress experienced by Europe. Hence the government becomes the main instrument of change, particularly by means of economic reform, agricultural progress, education and most importantly the emphasis on "*l'amour de la patrie*" (*hubb al-watan*), which is one of the prime virtues of civilisation. It also acquires the modern meaning of territorial patriotism and becomes what binds together members of the "fatherland" – *la patrie*. In al-Tahtawi's words:

> all that is binding on a believer in regard to his fellow believers is binding also on members of the same *watan* [fatherland] in their mutual rights. For there is a national brotherhood between them over and above the brotherhood in religion. There is a moral obligation on those who share the same *watan*

[126] *Ibid.*, pp. 69-82.
[127] R. al-Tahtawi, *Talḫīṣ al-ibrīz ilā talḫīṣ Bārīz* [The Extraction of Gold or an Overview of Paris], Cairo 1834.
[128] R. al-Tahtawi, *Manāhij al-albāb al-Miṣriyya fi mabāhij al-adāb al-'aṣriyya* [The methodology of Egyptian minds with regard to the marvels of modern literature], Cairo 1912.
[129] The *Ijtihad* is the intellectual effort by means of which the jurist searches for the solution to an unprecedented issue concerning the Islamic law. It can also be considered the effort of Muslim societies in general to adapt to the conditions existing at a certain moment. See M. A. Amir-Moezzi (ed.), *Dizionario del Corano*, Mondadori, Milano 2007, p. 951.

> to work together to improve it and perfect its organization in all that concerns its honour and greatness and wealth.[130]

Most importantly, for al-Tahtawi his *patrie* is not Tahta, his home village, but Egypt, which is why he is considered the first Arab national thinker.[131]

Al-Tahtawi did not believe the modern and traditional, secular and religious dimensions of his thought to be inconsistent with each other; the several references to the Qur'an and other religious sources aimed at proving that novelty and modernity actually already existed in old texts. Although this vision might seem naive, he is, admittedly, the first Muslim thinker who addressed issues such as rationality, technical progress and civilisation, on which all reformist thinkers after him focused. His successors, however, immediately saw a contradiction between the modern secularism and the religious traditionalism in al-Tahtawi's thought; the new literary renaissance thus contained elements of both Islamic Modernism and nationalism, and manifested itself in two forms of Islamic revival: the Archaic-Millenarian Wahhabi movement in the Arabian peninsula and Islamic modernism.

A first important difference lies in the fact that, while al-Tahtawi could restrict his considerations to the confrontation with European modernity, the generation of scholars that followed witnessed direct colonial domination over many Muslim societies. If, at an earlier stage, the problem faced by reformist thinkers was to conform Ottoman institutions to the European model, limiting the ruler's authority by means of political and administrative reforms, at a later time the issue became how to react to the European aggression. The admiration for foreign models and their imitation gave way to the opposition between an Islamic world that felt threatened and Europe. In this transition, the role played by Islam in reformist thought changed as well.

In the Arabian peninsula, potentially nationalist aspirations had emerged against external – that is, Ottoman – rule long before Napoleon's expedition and Muhammad 'Ali reforms, and they found political and religious expression in Wahhabism. This current had its origin in the life and teachings of Muhammad Ibn 'Abd al-Wahhab, who believed that only Arabs could restore the purity of Islam, crucial to challenge the Ottomans. Wahhabism became the leading ideology of a political and religious revivalist movement when its founder contracted a marriage alliance with the House of Sa'ud, who ruled the Arabian peninsula. This millenarian movement, with its emphasis on the return to Islamic orthodoxy, became the rhetoric of opposition to the Ottomans, labelled as modernists and accused of deviating from true Islam, and therefore illegitimate representatives of the Islamic Caliphate.[132]

Similarly to the Wahhabi movement, Islamic modernism aimed at a revitalisation of Islam; nonetheless, the return to an archaic form of Islam was not among the intentions of its founders, Jamal al-Din al-Afghani (1839-1897) and Muhammad 'Abduh (1849-1905). These two scholars intended in fact to enrich Islam with modern European discoveries in order to better face Europe as a colonial power; it is

[130] R. al-Tahtawi, *Manāhij al-albāb al-Miṣriyya fi mabāhij al-adāb al-'aṣriyya*, op. cit., p. 99.
[131] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 87.
[132] *Ibid.*, pp. 88-89.

clear, at this point, that Islam had become an anti-colonial ideology. The European idea of nation was taken up by al-Afghani and deprived of its secular connotation; regardless of ethnic, linguistic and cultural differences, all Muslims were part of a single Nation. This idea of Pan-Islamism, however, ended up implying only the idea of Muslim solidarity against colonialism, and not a project for an actual Islamic State.[133] A more thorough reflection on the reforms carried out in Islamic countries is that of 'Abduh, al-Afghani's pupil. After a stay in France, in 1888 he wrote: "I went to the West and saw Islam, but no Muslims; I got back to the East and saw Muslims, but not Islam."[134] Muslims had, according to him, only imitated modernity, without realising that Islam is perfectly compatible with the progress and modernity experienced by the West. Indeed, Islam has in itself all the virtues that allowed Europe's achievements. Restoring Islam in its authenticity meant, according to 'Abduh, going back to the way it was experienced by the first generations of Muslims (*salaf*), and reopening the Gates of *Ijtihad* in the attempt to generate a new *fiqh*[135] or "jurisprudence" able to face the challenges and the needs brought about by modernity.

Leaving aside the obvious differences between Wahhabism and Islamic modernism, it can be concluded that both movements had emphasised the Arab origins of Islam, and were directed against foreign domination - be it Ottoman or European. By denying the existence of subject peoples, in fact, colonialism had engendered a movement of resistance that resulted in a *national* awakening of the colonial world. For this reason, Tibi considers both currents as part of a *national* movement in the Middle East,[136] although their founders considered them Muslim, and not nationalist. And although the rise of secular nationalism weakened the Islamic revival, Islam was nonetheless an integral part of Arab national culture.

The rise of Arab cultural nationalism between reforms and the Arab literary Renaissance

Moving on to consider the historical development of Greater Syria and its specificities is crucial to understand the emergence of the Arab national movement. During the XIX century, the social structure of Greater Syria was similar to that of Egypt in that it was also characterised by the existence of a feudal system; but while Egypt could be governed centrally, in Syria there were several local dynasties struggling against each other and against Ottoman representatives, making the whole architecture of the Empire increasingly fragile.[137] The Christian communities of the coastal area had, meanwhile, established relationships with Europe; it was the beginning of Western and especially French missions in the area that contributed to the development of a bourgeois stratum in Syria. The existence of conspicuous Christian minorities in this area of the Empire, in fact, meant that the Sublime Porte enjoyed no religious legitimacy among its non-Muslim inhabitants; in addition, the changing social status of these minorities and their

[133] J. al-Din al-Afghani: *Al-A'mal al-Kamila* [al-Afghani: Complete Works], ed. M. 'Ammara, Cairo 1968, *passim.*
[134] As 'Abduh wrote after his return from France in 1888, quoted in I. Issa, *Milton in the Arab-Muslim world*, Routledge 2017, p. 244.
[135] The term *fiqh* refers to the theory or philosophy of Islamic law, based on the teachings of the Koran and the traditions of the Prophet. See M. A. Amir-Moezzi (ed.), *Dizionario del Corano*, op. cit., p. 950.
[136] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 94.
[137] A Hourani, *Syria and Lebanon: A Political Essay*, Oxford University Press, 1946, p. 26.

demands for emancipation caused conflicts with Ottoman rule and the feudal system on which it was based.[138]

The geographical position of the Middle East had acquired increasing importance with the start of the colonial era. The region has eloquently been defined as "a buffer, a junction, a nodal point in communications, a base, a *place d'armes*",[139] which provided a privileged connection to other – way richer - colonial domains in India and North Africa. France, on the one hand, aimed at the creation of an Arab Middle Eastern State that would deny British access to India, while Britain demanded the maintenance of a weak and harmless Ottoman Empire. It is clear, after considering these countries' respective aims, that France would end up supporting Muhammad 'Ali's project for the construction, at the expenses of a weakened Ottoman Empire, of a larger oriental state, as it would have been the most favourable framework for the development of the Egyptian economy and the modernisation of its social structure. Being an Albanian, Muhammad 'Ali managed to earn the support and devotion of the Christian population of Syria by stressing the idea of nation and that of a fight between Arabs and Turks, instead of trying to legitimise his ambitions against the Ottomans in religious terms. The perspective of the foundation of an Arab state from the unification of Egypt and Syria became very popular, as it presented Arab Christians with an unprecedented possibility of emancipation.[140] It was made all the more realistic by the reforms implemented in Syria by Ibrahim Pasha, son and successor of Muhammad 'Ali, above all the centralisation of government and administration, which also implied the end of the feudal system and dynastic division, and the replacement of local dynasties with civil servants; furthermore, Muhammad 'Ali's reform efforts resulted in a secularisation of the administration of justice, that used to be a prerogative of the '*ulama*.[141] In the end, however, and upon British insistence, Egyptian troops were forced to leave Syria in 1840.

Changes in the social structures and Western geostrategic interests were not the only reasons behind the emergence of the first generation of Arab nationalist thinkers. Christian missions in the area have been of great importance in this sense, and contributed to planting the seeds of the Arab national movement. Western missionaries in Greater Syria learned Arabic, created a printing press for the production of works in Arabic and thus contributed to a rebirth of interest in the literary and historical heritage of the Arabs.[142] In spite of being predecessors of colonialism, American and European missionaries provided Arabs with a national consciousness, which had its origins in this revived concern with the national language and resulted in a separation between Arabs and Ottomans, since the old source of loyalty to Ottoman rule, religious identity, was supplanted by the creation of a new national identity.[143] The Syrian scholar Butrus al-Bustani (1819-1883), for example, considered the national unity of all

[138] *Ibid*., pp. 27 ff.
[139] B. Lewis, *The Middle East: A Brief History of the Last 2,000 Years*, op. cit., p. 353.
[140] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 98.
[141] M. Ma'oz, *Ottoman Reform in Syria and Palestine, 1840—1861:The Impact of the Tanzimat on politics and Society*, London 1968, pp. 12-14.
[142] For a still unrivalled account of the early Arab national movement by an Arab author see G. Antonius, *The Arab Awakening: The Story of the Arab National Movement*, London 1938 (2nd ed.).
[143] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., pp. 100-101.

Arabs, regardless of their religion, as playing a major role for the revitalisation of Arab culture, which requested both tolerance and the separation of religion from politics. His works are considered the first organs of Arab cultural nationalism: quite significantly, the motto of *al-Jinan*, one of the magazines he published, was "*hubb al-watan min al-iman*" – "love of country is an article of faith".[144]

The conclusion to this reasoning is crucial and deserves particular attention: insofar as it emerged as a literary renaissance, and not as a separatist movement based on political theories, Arab nationalism was initially apolitical and manifested itself as a form of cultural nationalism. It could not have been otherwise, since the conditions for a political movement did not exist in the Middle East in the XIX century. Arab nationalists confined their attention to the existence of an independent Arab cultural nation: *Arab*, and not Islamic, because even Muslim Arabs tried to conciliate the idea of nation with Islam, either by promoting an *Arab* caliphate,[145] or by restricting their claims to demands for Arab cultural autonomy in the framework of an Ottoman Empire legitimised by Islam;[146] *cultural*, because the nationalist movement in its earlier stages did not advance demands for an independent national state.[147] This literary movement was bound, however, to express a political situation, since efforts to revitalise culture and language resulted, for the Arab world, in an opposition to the other cultural components of the Empire, and particularly the Turks. One of the consequences of this opposition was the gradual emergence of secret societies that advanced separatist demands and insisted on the creation of a national state for all Arabs, where they could be citizens and no longer subjects.[148] Therefore, the shift from Arabism to Arab nationalism was not a necessary one, but only occurred at a later stage, with the politicisation of Arab cultural nationalism.

The politicisation of Arab cultural nationalism

Reform efforts in the territories of the Ottoman Empire did not only originate under the rule of Muhammad 'Ali. In an attempt to "redeem" the frustrated sense of superiority suffered by the Islamic civilisation following the stagnation and the decline of the Empire,[149] the Ottomans made an effort to conform to the European standard, and inaugurated a phase of structural reorganisation known as the *Tanzimat* period. Again, the main reforms consisted in a centralisation and modernisation of the administration, parallel to a process of secularisation and the training of Ottoman officers by European experts. Here lie the origins of the Young Turks movement and the progressive development of Turanianism, the nationalist ideology that they used to suppress the demands for emancipation of the

[144] A. Hourani, *Arabic Thought in the Liberal Age*, op. cit., pp. 99-101.
[145] A shift in the balance of power inside the Islamic *umma*, from the Turks back to the Arabs, was supported by 'Abd al-Rahman al-Kawakibi (1849-1903). See A. Hourani, *Arabic Thought in the Liberal Age*, op. cit., p. 272.
[146] As occurred during the Arab Nationalist Congress in Paris in 1913; see next paragraph.
[147] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 104.
[148] A. Hourani, *Arabic Thought in the Liberal Age*, op. cit., p. 275.
[149] "Why did Muslims move backwards, and why do others progress?" It is the sinister question asked by Shakib Arslan and also the title of his work: S. Arslan, *Limâdhâ ta'akhkhara al-muslimûn wa limâdhâ taqaddama ghayruhum*, Beirut 1969, quoted in S. Khalil Samir, 'Quando l'Islam affronta il proprio smarrimento', in *Oasis*, 1/09/2006.

various peoples composing the Empire.[150] Faced with the requests of Arab nationalists for cultural autonomy within the framework of the Empire, the centralisation started with the reforms took the form of a "Turkification" of the other nationalities, that is, the suppression of their languages and cultures.

This, of course, did not take long to trigger a reaction. Nonetheless, the Arab national movement was still hoping for a transformation of the Ottoman Empire in a multinational constitutional monarchy, where Arabs could enjoy some sort of cultural autonomy.[151] There was not, in other words, any demand for an independent Arab state. This is particularly evident when considering the conclusions reached at the Arab National Congress that took place in Paris in 1913.[152] Alexander 'Ammun for example, made it clear that "The Arab nation does not desire secession from the Ottoman Empire [...] but merely changes in the existing political system. It should be replaced by one in which all nationalities in the Empire have equal rights."[153] Another significant speech was that of 'Abd al-Ghani al-'Arisi, who asked:

> Are the Arabs a community *(jama'a)*? Communities only deserve this name, in the opinion of political philosophers, if - according to the Germans - they have a *common language* and a common *race*; if - according to the Italians - they have a common *history* and common *customs*; if - according to the French - they consist of a single *political will*. If we look at the Arabs from any of these perspectives we see that they have all the features mentioned, so that in the view of all political thinkers without exception they can claim to be a community *(jama'a),* a people *(sha'b),* and a nation *(umma)* [emphasis added].[154]

In spite of the absence of separatist claims, however, the activities of Arab nationalists had the effect of radicalising Turkish nationalism; similarly, the activities of the Young Turks contributed to the widening of the gap between the two positions. Arab claims for separatism fully emerged with the revolt of 1916, supported by the colonial powers that were fighting the Great War against Germany and the Ottoman Empire. The Syrian bourgeoisie, too weak to lead the anti-Ottoman revolt on its own, allied with the Hashemite dynasty of the Arabian peninsula. Its head, Sharif Husayn of Mecca, had been assured by the British that they would support the revolt and the establishment of an independent Arab kingdom under his rule.[155] What Husayn and Arab nationalists could not possibly know is the conclusion, in 1916, of the Sykes-Picot Agreement between France and Great Britain, which produced a strong sense of expropriation and frustration, as the peoples of the region perceived that they could not act autonomously. First of all, the colonial powers determined almost all the new borders through the partition or *taqsim*,[156] that is, the creation of separate Arab states, which crippled the nationalist movement and undermined its project; in addition, the French and the British chose the new rulers, the kind of government that was to

[150] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., pp. 106-109.
[151] G. Antonius, *The Arab Awakening: The Story of the Arab National Movement*, op. cit., p. 110.
[152] As France was still hoping for the creation of a large Arab state in the region, it contributed to the organisation of the secret societies that were starting to advance political requests to Ottoman rulers.
[153] M. 'Ammara, *Al-'Uruba fi al-'Asr al-Hadith* [Arabism in the Modern Age], Cairo 1967, p. 325.
[154] *Ibid.*, p. 326.
[155] B. Lewis, *The Middle East: A Brief History of the Last 2,000 Years*, op. cit., pp. 340-341.
[156] F. Halliday, *The Middle East in International Relations*, op. cit., p. 91.

be established, and – together with the Americans – how to allocate the natural resources of the region, particularly oil. The new, arbitrarily traced borders ignored the delicate balances existing between the various ethnic and religious communities, releasing dangerous dynamics that still affect the region's history.[157]

The end of the First World War and the division of Arab-speaking peoples in separate states under colonial control had a significant impact on the nationalist movement's development. First of all, with the establishment of formal colonial rule in the Middle East, the West no longer represented a model for the Arab national movement. On the contrary, it triggered a reaction directed against the ideological and military threat it represented. It has already been pointed out that Arab nationalism has its origins in the pre-colonial period; nonetheless, as Kohn maintains, "Just as formerly French imperialism had roused German nationalism, and Austrian imperialism Italian and Czech nationalism, so, too [...] in the East, imperialism acted as the awakener of nationalism."[158] This is why it has been argued that Arab nationalism is intellectually related to Italian, German and Slav nationalisms, which have been considered cases of "counter-nationalism".[159] Indeed, while French and Anglo-American nationalism were inextricably linked to the bourgeois-democratic revolution, counter-nationalism is so called precisely because it is a reaction, directed outwards and primarily concerned with the end of foreign domination rather than with the creation of liberal democratic institutions. Having become an anti-colonial, anti-European ideology, nationalism became an end in itself, and developed into a reactionary, populist and aggressive ideology.[160] Little did it matter to its proponents whether Arab unity was to be realised in the context of a democratic state or a military dictatorship.

Thus, in the post-war period, the very existence of the Arab nation was open to dispute. The most influential attempt to prove its existence in the context of colonial rule was that of Sati' al-Husri (1882-1968), who sought to provide a theoretical framework that could serve as the foundation for the creation of a Pan-Arab national state. He started by criticising Renan and denouncing the inadequacy of the French idea of nation, since in France the concepts of nation and national state could not be separated. In his famous lecture *Qu'est-ce qu'une nation?*, Renan had maintained that the nation is a product of modern history, and rejected the idea according to which nation formation in Modern Europe had been influenced by determinist criteria. On the contrary, the emergence of nations mainly relies on a group's common will to be part of it; hence he defined the nation as follows: "Avoir des gloires communes dans la passé, une volonté commune dans le présent; avoir fait de grandes choses ensemble, vouloir en faire encore."[161] Al-Husri criticised this definition and the emphasis placed on common will. He considered that nations have an objective basis, in which language plays the most important role; as a consequence, the Arab nation

[157] A. Battaglia, 'I confini del Medio Oriente dopo la Prima Guerra Mondiale', in *Limes*, 24/11/2014.
[158] H. Kohn, *Nationalism and Imperialism in the Hither East,* New York 1959 (2nd ed.), p. 64.
[159] C. J. H. Hayes, *The Historical Evolution of Modern Nationalism,* New York 1950.
[160] B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., pp. 116, 131.
[161] Quoted in P. Canivez, *Qu'est-ce que la Nation?,* Librairie Philosophique J. Vrin, Paris 2004, pp. 107-108.

only includes those who speak Arabic as their mother-tongue,[162] which means that it includes both the Arab part of Asia and the whole of Arabic-speaking North Africa. The existence of a common history is also important, as it can strengthen – but not create – the national bond.[163] In conclusion, for al-Husri the nation is "the institutional expression of this form of social commitment", and the national awakening of an oppressed national community begins precisely with the revival of the language and traditions of a national community which is oppressed by foreign rule. In this context, the reference to an idealised past is functional to overcoming the humiliation of the present.[164] This strategy can lead, however, to substantial problems, insofar as the idealisation of a mythical, irretrievable past inevitably narrows the perspectives for progress.

Once the French idea of nation was dismissed, also as a result of increased hostility towards British and French colonial rule, the German concept of nation as a cultural vision acquired increasing popularity;[165] the emphasis shifted from the idea of *watan* (fatherland), of nation as a territorial entity, to the concept of *qawm*, of nation considered as a People united by the same historical and cultural identity. In this framework, the state played no role. Like the main German thinkers, then, al-Husri argued that there exists a clear separation between state and nation, where the nation is seen in cultural terms.[166] This distinction led al-Husri to conclude that the non-existence of an all-Arab national state is irrelevant for the purpose of proving the existence of the "Arab nation". The theoretical bases that al-Husri provided to prove its existence is a synthesis attempted between the German idea of nation,[167] which has already been briefly described, and the notion of '*asabiyya* formulated by Ibn Khaldun, an influential Arab philosopher of the fourteenth century. In his thought, the concept of '*asabiyya* represents an element of group cohesion, of solidarity vis-à-vis other groups, and it can manifest itself as ties of blood, common ancestry, relations of alliance and protection within a group, and even as the idea of shared common destiny.

As for religion, its purpose is to serve as an ideology of "national" integration, as a national religion, particularly in its close relationship with language. This idea is summarised by al-Husri as follows:

> A common language and a common history is the basis of nation formation and nationalism. The union of these two spheres leads to a union of emotions and aims, sufferings, hopes, and culture. Thus the members of one group see themselves as members of a unitary nation, which distinguishes itself

[162] S. al-Husri, *Ara' wa Ahadith fi-l-Qawmiyya al-'Arabiyya,* [Speeches and Reflections on Arab Nationalism], Egypt: Al-I'timad, 1951, p. 44.
[163] A. Hourani, *Arabic Thought in the Liberal Age*, op. cit, pp. 313-314.
[164] B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., pp. 145-147.
[165] Although Sati' al-Husri started this tradition of populist, germanophile Arab nationalism, it never took the form of a fanatic of fascist ideology. It inspired the thought of his disciples Michel 'Aflaq and Salah al-Din al-Bitar, founders of the Arab Resurrection Party (*Hizb al-Ba'th al-'Arabi*). The Ba'th party was originally a movement aiming at Arab unity, freedom and socialism, before seizing power in both Iraq and Syria in 1963. By then, however, it no longer resembled the original movement, and the thought of its founders ended up being the foundation of the semi-fascist military dictatorships of Syria and Iraq established by the Ba'th party.
[166] H. Kohn, *The Idea of Nationalism,* op. cit., p. 249; S. Al-Husri, *Ma hiya al-Qawmiyya? Abhath wa Dirasat 'ala Dhaw' al-Ahdath wa 'l-Nadhariyyat* [What is Nationalism? Empirical and Theoretical Studies and Researches], Beirut 1963 (3rd ed.), p. 3.
[167] Al-Husri especially refers to German Romantics such as Herder, Fichte and Arndt. For a detailed analysis of their influence on al-Husri's thought see B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., pp. 127 ff.

> from others. However neither religion nor the state nor a shared economic life are the basic elements of a nation, and nor is common territory [...] If we want to define the role of language and history for a nation we can say in short that the language is the soul and the life of the nation, but history is its memory and its consciousness.[168]

To prove this point, al-Husri referred to the failure of universal religions - Christianity and Islam - and the success of national religions – Judaism - to establish and strengthen a community's cohesiveness.[169] Thus, it was easy for him to see how fallacious Pan-Islamism is compared to secular Pan-Arabism. But Pan-Islamism was not the only rival political movement of Pan-Arabism; the latter also had to face the hostility of local forms of nationalism, such as the Egyptian and the Syrian varieties. Examples of both rivalries – Pan-Arabism versus local forms of nationalism and Pan-Islamism (especially in the form of the hostility expressed by the Muslim Brethren towards the Arab national movement) can be found in Egypt.

BETWEEN PARTICULARISM AND UNIVERSALITY: PAN-ARABISM VERSUS EGYPTIAN NATIONALISM AND PAN-ISLAMISM

The history of Arab nationalism has so far been looked at from a perspective that privileged the history of ideas, which is also the perspective adopted by Tibi; in this sense, Arab nationalism has been described as based on a cultural revival resulted from a process of acculturation, and the emphasis has been placed on the concept of an Arab *cultural* nation. This concept was later politicised with the claims for the creation of a Pan-Arab *state*.[170] This leads to consider another possible perspective that can be adopted, one from which Arab nationalism can be seen as an ideology of an evolving state system. In its earliest phase, during the inter-war period, the Arab state system was a dynastic one: the Hashemites ruled in Jordan and Iraq, the Saudis in the Arabian peninsula, and Muhammad 'Ali descendants in Egypt. After the Second World war, with the rise of Nasserism in 1952, Pan-Arabism shifted from royalism to populism: the ambition to establish a United Arab Kingdom articulated by the Sherif Husayn of Mecca was replaced by the Pan-Arab aspiration to create a United Arab Republic, realised in 1958 but short-lived. Eventually, the Arab defeat in the Six-Day War unmasked the crisis of the regional state system, and contributed to the end of Pan-Arabism.[171]

The emphasis on state creation in the region is relevant for the analysis on Arab nationalism because, as it has been pointed out, Third World nationalist movements are a reaction to imperial dominance and arise because of the recognition that, in a world of nation states, the only way for a people to protect itself is embracing modernity and fighting the West on political grounds, that is, establishing a state of its own. In this process, Western values and ideas (including that of nation-state) are appropriated by Third World national movements in an effort to fight the West, not only on political and military

[168] S. Al-Husri, *Ma hiya al-Qawmiyya?*, op. cit., pp. 259 ff.
[169] B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., p. 147.
[170] Tibi defines these two stages as *Kulturnation* and *Staatsnation* (*Ibid*., p. 202).
[171] *Ibid*., p. 203.

grounds, but also as a civilisation.[172] Until the 1960s, the Arab national movement has tried to achieve this objective through the creation of a strong Pan-Arab state. However, although Arab nationalism has been presented as a single, compact movement with a single objective, there has never been any general agreement about the relationship between Pan-Arabism and various forms of local loyalties. As it has been pointed out by Roger Owen, not only had the Arab world experienced its disassembling into separate states by the colonial powers, but those states also developed particular symbols and practices, in many cases diverting the loyalty from Arabism to local nationalism.[173]

The emergence of the Egyptian national movement is a case in point. Here, too, history accounts for the difference between its particularism and the universalism of the Pan-Arab movement. While in the Syro-Lebanese region the desire to overthrow the Ottomans implied cooperation with the European colonial powers, Egypt was more concerned about British domination. This did not mean, however, that the Egyptians wished to be subjects to Ottoman power; on the contrary, Ottoman unity and Islam could be wielded as political weapons precisely because Egypt was de facto independent and only nominally part of the Ottoman Empire. As a matter of fact, both the nationalist and the more fundamentalist tendencies of the Islamic modernism of al-Afghani and Abduh were opposed to Arab nationalism. The former, formulated by Mustafa Kamil,[174] aimed at a modernisation of Islam that would strengthen the Egyptian national movement and free the country from British colonial power; the latter, inaugurated by Rashid Rida,[175] stated the mere instrumental value of modernity for the purpose of restoring the supremacy of Islam. In addition, as Islam draws its strength from a reference to transcendence and the resulting social and political unity, the *Umma* - whose cohesion is assured by a common faith, a common legal system (the *shari'a*) and a common language (Arabic) – could (and can) play the same role that the principle of nationality played in Europe.

A less radical form of local nationalism was supported by other European-educated nationalists, such as Ahmad Lutfi al-Sayyid[176] and Taha Husain,[177] who aimed at obtaining only certain concessions in the framework of the colonial system. All traces of Ottomanism had disappeared: they both considered Egypt as an independent nation, bound to become a constitutional parliamentary democracy characterised by the separation of powers. Taha Husain pushed this line further by stating the Pharaonic and, at the same time, European character of Egypt, thus questioning its Arab character. According to him, neither religion (i.e. Islam) nor language (i.e. Arabic) play a significant social role in Egypt.[178] Yet, as it was oriented towards progressive European bourgeois society and liberal democratic institutions, this position could not be adopted by the Egyptian semi-feudal colonial society; as a consequence, in the 1920s the Egyptian middle class and its parties - the Liberal Constitutional Party and the Wafd - adopted a more

[172] H. Bull, 'The Revolt against the West', in H. Bull, A. Watson (eds.), *The Expansion of International Society*, Oxford 1984, pp. 217-218.
[173] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, Routledge, London and New York 2004 (3rd ed.), pp. 58-59.
[174] A. Hourani, *Arabic Thought in the Liberal Age*, op. cit, pp. 199 ff.
[175] *Ibid.*, pp. 222 ff.
[176] *Ibid.*, pp. 171 ff.
[177] *Ibid.*, pp. 324-340.
[178] T. Husain, *Mustaqbal al-Thaqafa fi Misr* [The Future of Culture in Egypt], Cairo, 1938, pp. 16, 28 ff.

reactionary stance to impose their programme onto the lower classes, exhausted by unsolved social and economic problems.[179] The resulting crisis of legitimacy for liberal nationalism led, in turn, to the rise of the Muslim Brotherhood, which followed Rashid Rida's archaic fundamentalism and was even more opposed to Pan-Arabism than the Egyptian nationalists. In the meantime, It was only with the coup d'état of Nasser and the Free Officers in 1952 that Pan-Arabism got a foothold in Egypt, while universal solutions based on Islam and the *Umma* were temporarily put aside.[180]

Between the 1950s and the Gulf war, Pan-Arabism has been considered an almost obligatory policy doctrine in the majority of the Arab states, although it was a rhetoric expedient rather than a coherently pursued objective. In the words of Tibi: "The paradox of Pan-Arab nationalism has been the duality of words and deeds: in the rhetoric of Arab politics every statesman paid the obligatory lip-service to Arab unity for which the Arab League was considered to be the right instrument; in reality, however, most Arab politicians undermined every action aimed at achieving this goal."[181] Inter-Arab relations, therefore, have always been quite ambiguous and characterised by contrasting tendencies towards cooperation and competition.

On the one hand, inter-Arab cooperation was enhanced by various factors, such as the development of mass media, which reinforced feelings of Arabism regardless of political borders; the solidarity and the assistance provided to those fighting against colonialism; and, most importantly, the Arab support for the Palestinian cause.[182] In addition, Nasser's depiction of the Suez crisis of 1956 as an "Arab" victory and the formation of the United Arab Republic between Egypt and Syria in 1958 made it easy to keep Arabism alive, especially in the face of the artificial borders that had been imposed by colonial powers. Finally, even when the claims for unity started to weaken from the 1960s onwards, Arab countries continued to act jointly in various occasions, as when they expelled Egypt from the Arab League because of the peace treaty of Camp David with Israel, or when Egypt and Jordan supported Iraq during its war against Iran. The oil boom also encouraged a kind of intra-Arab cooperation consisting in a redistribution of wealth aiming at fostering the economic development of the Arab region and supporting the struggle against Israel. However, due to changes in the political relationships in the region and to the fall in oil revenues, such donations were almost certainly not delivered.[183]

On the other hand, Pan-Arab nationalism was inherently fragile because of the contradictory necessities of State-building and Arabism. According to Owen, one of the main reasons accounting for the failure of political unity and the tendency toward particularism was the disparity in power between

[179] B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., pp. 189-190.
[180] Considering Nasserism and its legacy is crucial to understand subsequent developments in Egypt, up until nowadays, after the Arab Spring. Some claim that Nasserism was an adventure of national liberation, the occasion in which the "voice of the Arabs" could be heard in the international arena and colonial empires could finally be defeated (as occurred with the Suez crisis of 1956); others, instead, claim that Nasserism simply destroyed pluralism and made Egypt an authoritarian State. While the adventure of national liberation ended with the 1967 defeat, the destruction of pluralism has continued to affect the country during Moubarak's regime and following the 2011 revolts. See T. Aclimandos, 'De Nasser à Moubarak: une brève histoire politique', in V. Battisti, F. Ireton (eds.) *L'Egypte au présent. Inventaire d'une société avant révolution*, Sinbad 2011, p. 288.
[181] B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., p. 211.
[182] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., pp. 59 ff; Y. Porath, *In Search of Arab Unity, 1930–1945,* Frank Cass, London 1986, p. 162.
[183] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., pp. 64-65.

Arab states and regimes. The economic and military predominance assumed by Nasser's Egypt, for example, meant that any further integration would be to its own advantage.[184] Indeed, Nasser's emphasis on the Arab character of Egypt[185] served its hegemonic interests in the region, as Egypt had emerged as the leading power in the Middle East. Being Arab, in fact, authorised Egypt to intervene in various places and circumstances, as in Palestine. In addition to Egypt's assertiveness in appealing to other Arab peoples, Arab leaders had to take into account the porosity of their borders and the tribal, family, cultural and commercial ties that linked Arabs on both sides of those borders. This fear of foreign interference made regimes more concerned than they might have otherwise been, leading them to try to anticipate such interference by making a first move themselves. The necessary outcome is, as observed by Owen, that "the close involvement with events and processes across Arab borders means that there is less of a difference between domestic and foreign policy than in other parts of the world. Regimes habitually attempt to find support, and even legitimacy, across such borders while having to pay close attention to rival attempts to do just the same."[186]

Owing to such circumstances, it was inevitable for the Pan-Arab movement to lose its unity; two fronts emerged, Nasserism and Ba'thism, individual Arab states struggling for the leadership of the Pan-Arab movement and hegemony in the region, which encouraged talks about an inter-Arab Cold War.[187] In addition, between the 1960s and the 1970s the diffusion of power increased in the Arab world, owing to a decline of Egyptian power following the 1967 war, the growing financial influence of Saudi Arabia, and the political importance of Syria due to the consolidation of Asad's regime.[188]

In addition, it is noteworthy that, especially in Egypt, Pan-Arabism had also emerged as an expression of dissatisfaction of the lower classes with their social conditions; this implied that, when faced to its inability to improve the records of the Arab world, to carry out a peaceful transition between regimes, and to establish the liberal institutions of civil society, Pan-Arabism was abandoned and replaced with any other project deemed more likely to provide better life conditions.[189] Just as the feat of 1956 had been presented as an Arab victory, the defeat of 1967 marked a turning point in Arab self-perceptions, frustrating hopes for the long-awaited redemption and strengthening the feeling of humiliation that had been first instilled in the region with the colonial domination. Far from being the cause of the crisis, Egypt's military defeat of 1967 had in fact exacerbated an already existing crisis linked to the failure of the implemented model of development. Furthermore, it marked the end of the secular, nationalist project of Nasserism as a viable way to redemption and international relevance, and rekindled that "uprising of the humiliated" that was born as a reaction to the feelings of humiliation and dispossession caused by colonialism. For the "voice of the Arabs" to be heard in the international arena, in fact, the revolt had first turned to secularism and Pan-Arab (or local) nationalism; in front of its

[184] *Ibid*., pp. 60-61.
[185] G. Abdel Nasser, *The Philosophy of the Revolution* (1952), Eng. transl., "Mondiale" Press, Cairo 1958. Here, Egypt is defined as part of three "circles": the Arab – the most important -, the Islamic, and the African.
[186] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., pp. 66-67.
[187] M. Kerr, *The Arab Cold War, 1958-1967*, London 1967 (2nd ed.).
[188] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., p. 63.
[189] M. Horsman, A. Marshall, *After the Nation-State: Citizens, Tribalism and the New World Disorder*, London 1994, p. 150.

inability[190] to solve the economic, social and political problems of the Arab world, and in front of the increased use of repression on the part of the regimes to crush the political opposition, the revolt turned to political Islam in search of a way to restore Arab greatness.

However, feelings of Islamic solidarity had emerged long before the legitimacy crisis of both Pan-Arabism and secular, nationalist regimes during the 1960s. Pressures towards Islamic universalism had appeared immediately after the dismantling of the Ottoman Empire. It has already been mentioned that ever since the 1920s and the 1930s, in fact, liberal nationalists were faced with the strenuous opposition of Islamist ideologies such as that of Hasan al-Banna, founder of the Muslim Brotherhood, which contested both the exaltation of the nation and the imitation of European models.[191] Al-Banna believed Islamic societies to be deeply corrupted, especially because of the influence of the European civilisation and its "materialistic" philosophy. As far as the situation in Egypt was concerned, he especially blamed imperialism, pluralism in the party landscape (*hizbiyya*), foreign capital and the introduction of laws and ideas that caused a fracture between the law in Egypt on the one hand, and the life of the Egyptians on the other. To counter such degeneration, al-Banna proposed the return to Islam as an all-encompassing way of life:

> We believe the provision of Islam and its teachings are all inclusive, encompassing the affairs of the people in this world and the hereafter. And those who think that these teachings are concerning only with the spiritual or ritualistic aspects are mistaken in this believe because Islam is a faith and a ritual, a nation and a nationality, a religion and a state, spirit and deed, holy text and sword [...][192]

Al-Banna also gave an Islamic interpretation of modern categories; he referred, for example, to the concepts of "Islamic State"; "Islamic economics", or "Islamic Republic". In addition, as Islam is not only religion and temporal world (*din wa dunya*) but also State (*dawla*), it was transformed from a religion to a political ideology: Islamism. Radicalisation in Egypt from the 1950s originated from to the rivalry between Nasser and the Muslim Brotherhood, as both had hegemonic projects that necessarily implied the exclusion of any adversary from the political scenario. The repression of the Brotherhood by Nasser's regime from 1954 started a reflection about Nasserism as a corrupted system that had to be eliminated; as for Arab nationalism and its project of a Pan-Arab state, they were considered "imported solutions" (*hulul mustawrada*)[193] in the context of a Western conspiracy aiming at submitting the Islamic world, an assumption that is still present in Islamist thought. These considerations, together with an interpretation of Islam as a radical and violent political project, were expressed by Sayyid Qutb (1906–1966).[194] According to him, all foreign models adopted in the context of the Arab-Islamic reform – from liberalism to arabism

[190] An attempt to describe the reasons behind such inability will be made in Chapters 4 and 5 of this dissertation.
[191] On the ideology of al-Banna and the Brotherhood see R. P. Mitchell, *The society of the Muslim Brothers*, Oxford University Press, New York-Oxford 1969.
[192] H. al-Banna, *Risala al-Mu'tamar al-Khamis* [Message to the Fifth Congress of the Muslim Brethren].
[193] As defined by Yusuf al-Qurdawi, one of the major ideologues of the jihadist current, quoted in B. Tibi, *Arab Nationalism between Islam and the Nation State,* op. cit., p. 217.
[194] S. Akhavi, 'Sayyid Qutb', in J. L. Esposito, E. el-Din Shahin (eds.), *The Oxford Handbook of Islam and Politics*, Oxford University Press 2013, pp. 159-168.

and socialism - had to be rejected. The only truly Islamic form of social organisation is the *umma*, and the final objective is the establishment of an Islamic State. As a consequence, Qutb considered it necessary to recur to *jihad* as a form of political action. From this radical and violent current of the Muslim Brotherhood other organisations emerged, such as *al-Jama'a al-Islamiyya, al-Takfir wa-l-Hijra* and the *al-Jihad* group.[195] A few years later, the model provided by Qutb's considerations and the heavy influence of events such as the war in Afghanistan provided the fertile soil upon which the jihadist current thrived, culminating in the ideology and practice of al-Qa'ida.[196]

Nonetheless, it is true that many groups representing religious currents increased their involvement precisely after the 1967 defeat, particularly because it was obvious, by then, that secular ideologies focused on development and the consolidation of the new independent regimes had failed.[197] In spite of the end of foreign domination and the existence of a certain margin of manoeuvre, in fact, Arab regimes had proved "unable alike to evoke people's memories of the past, to respond to their needs in the present, or to illuminate their hopes for the future. Worst of all, they were associated in the minds of most Arabs with the by now hated imperial powers of Western Europe."[198] The feeling of impotence first experienced during external domination was thus worsened by the disastrous management of the new States, and it assumed excessive proportions because it was unconsciously compared to the Arabs' past (and idealised) greatness.[199]

Hence, it becomes clear how such circumstances provided reasons for a social unrest that took the form of ethnic and religious revivals intrinsically related to the rise of political Islam since the 1970s. While authors like Mark Juergensmeyer see Islamic revivalist reassertions as religious nationalism,[200] others, like Tibi, point out that Islam is "a universalism and not a concept of an Islamic nation"; with regard to calls for the creation of a cohesive Islamic *umma*, he adds that "if this call is restricted to the real *umma*, i.e. to existing Muslims, then we may talk with some restrictions of an Islamic *umma*-nationalism. Given that the Islamic Utopia of a universal *umma* is considered to cover all humanity, the term Islamic nationalism then seems to be a contradiction in terms."[201] And yet, Islamic fundamentalists have political objectives and operate in the contexts of the international system of nation-states, which are also related to ethnic, sectarian and national strife, so we can observe "a mix of ethnicity, nationalism and sectarian rivalries (Sunna versus Shi'a) combined with a rhetoric of universal claims."[202] In addition, the

[195] N. Shama, 'Al-Jama'a al-Islamiyya and the Al-Jihad group in Egypt', in J. L. Esposito, E. el-Din Shahin (eds.), *The Oxford Handbook of Islam and Politics*, op. cit., pp. 603-615. For that matter, both the peaceful and the jihadist branches of Islamism share the same final objective, that is, the replacement of the Westphalian order with an Islamic order, even if they differ in the way they try to accomplish its establishment (B. Tibi, *Islamism and Islam*, Yale University Press 2012, p. 149).
[196] J. Burke, 'Al-Qaida and its Affiliates', in J. L. Esposito, E. el-Din Shahin (eds.), *The Oxford Handbook of Islam and Politics*, op. cit., pp. 630-642.
[197] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., p. 255.
[198] B. Lewis, *The Middle East: A Brief History of the Last 2,000 Years*, op. cit., p. 348.
[199] S. Kassir, *Considérations sur le Malheur Arabe*, Actes Sud, Arles 2004, p. 39.
[200] M. Juergensmeyer, *The New Cold War? Religious Nationalism Confronts the Secular State*, Berkeley 1993.
[201] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., p. 219.
[202] *Ibid.*, pp. 219-220.

rise of Islamism went hand in hand with a reassertion of the Arabness of Islam,[203] leading to the conclusion that, in spite of Islamic claims of universalism, an ethnic or national bias is always involved.

As a conclusion to this introduction to Arab nationalism and its history, I would like to express the belief (and my claims will be further discussed in the next chapters) that, when studying the Arab-Islamic world, nationalism can be a tricky category, as Muslim societies are influenced by two dimensions: the local communities at a sub-national level, and the supranational dimension, alternatively represented by Pan-Arabism and Pan-Islamism. As a consequence, I believe that it would be more useful to reflect on the relationship between state and society.[204] While in Western countries the need for cooperation between state and society has been answered to by the emergence of nationalism, in Arab countries the answer to such necessity was the establishment of a social contract as a model of development and as the means to manage the relationship between state and society after independence. A sort of "Islamic welfare" has always been present in Muslim societies, firmly based on that concept of "tribal" solidarity that has been defined as *'asabiyya* as well as on an understanding of economics closely linked to ethics. Suffice it to mention that, since the earliest revelations of the Qur'an, those devoid of charity are considered infidels[205] and alms-giving (*zakat*) is a religious obligation and a tax.[206] The Islamic "moral economy", in fact, sees humans as dependent on one another, and both their survival and their human nature rely on such dependency.[207] In addition, as pointed out by Zubaida, this need for cooperation between state and society is a distinctive feature of the Islamic polity, which does not conform to "Oriental despotism, with an all-powerful state and a helpless, unorganised society"; on the contrary, Arab states are weak, "short on legitimacy and vulnerable to both internal threats from a solidary community under *ulama* leadership and external threats from the tribes."[208] Hence, the attempt of this work will be to assess the consequences of the dismantling of the post-independence social contract between state and society, especially in terms of the (re)emergence of cultural nationalism and political Islam. Before that, let us consider the process that contributed to engendering that dismantling and shaping successive events: globalization, or more specifically, neoliberal globalization.

[203] This happened regardless of the undoubted impact of the Iranian revolution: "The Arabs [...] cannot feel that they have to accept the Iranian Revolution as a model for their political and civilisational action, though to some extent they sympathise with it. [...] Islam is originally Arabic.", N. Nassar, 'Al-'Arab, al-Islam, wa al-Thawra al-Iraniyya' (The Arabs, Islam, and the Iranian Revolution), in *al-Fikr al-'Arabi al-Mu'asir,* vol. 2 (June 1980), p. 6.

[204] The idea to focus on such relationship rather than on the often Eurocentric concept of nationalism to explain the religious revival emerged during a most engaging talk with Professor Alessandro Romagnoli at the University of Bologna.

[205] "Have you seen him who denies the Final Judgement? Then such is the man who repulses the orphan and encourages not the feeding of the indigent." (Koran 107, 1-3).

[206] M. A. Amir-Moezzi (ed.), *Dizionario del Corano,* op. cit., pp. 239 ff.

[207] E. Francesca, *Economia, religione e morale nell'Islam*, Carocci editore, 2013, p. 157.

[208] S. Zubaida, *Beyond Islam. A New Understanding of the Middle East*, I.B. Tauris, London 2011, p. 33.

CHAPTER 2

ON RESPATIALISATION AND THE NEOLIBERAL TURN: THE THIRD WORLD BETWEEN IMF-DRIVEN GLOBALIZATION AND CULTURAL NATIONALISM

Globalization is perhaps the concept believed to most accurately define contemporary society. It has been referred to as an overwhelming reality, and the twenty-first has been defined as a "global century."[1] It is, nonetheless, a slippery concept, because there is always a risk of oversimplification, exaggeration and inconsistency, as it has been eloquently expressed by the owner of CNN, Ted Turner, in these terms: "globalization is in fast-forward, and the world's ability to understand and react to it is in slow motion."[2] While considerable vagueness still surrounds peoples' understanding of the world's increasingly global character, the explanations which have been offered were mainly phrased in neoliberal terms. Neoliberalism is a policy approach that affirmed itself particularly from the 1970s; it applies traditional laissez-faire economics to the emerging global order and considers globalization as an economically driven process that works best if its foundations lie in privatization, liberalisation and deregulation. Combined with such virtues, globalization is believed to bring prosperity, liberty, democracy and peace. More specifically, what is crucial for neoliberal thinking is the assumption that individual freedoms are guaranteed by freedom of the market.[3] Public regulation and institutions are considered political interferences and should be reduced to a minimum, that is, limited to the protection of private ownership and the free operation of supply and demand among economic subjects. Economic freedom is the means toward political freedom, and not the other way round, as it was believed in the XIX century.[4] Consequently, neoliberalism considers that there exists a clash between planning and democracy, to use Friedrich August von Hayek's words. In *The Road to Serfdom*, Hayek maintains that government planning and social democracy, exemplified by Franklin Roosevelt's New Deal and the gradual development of Britain's welfare state, inexorably lead to totalitarian control since they crush individualism and personal liberty.[5]

However, tensions and contradictions in the neoliberal theory make concepts such as laissez faire, deregulation, and individual freedom highly debatable. Firstly, in spite of its emphasis on the reduction of state intervention, neoliberalism does not make the state or particular institutions irrelevant; it is the case of courts and police functions which, conversely, are augmented to protect corporate interests and repress dissent. There has been, however, a reconfiguration of state institutions and practices. An example is the

[1] J. Nederveen Pieterse (ed.), *Global Futures: Shaping Globalization*, Sage, London 2000, p. 4.
[2] HDR (Human Development Report) 1999, Oxford University Press, New York 1999, p. 100.
[3] The importance of political ideals of human dignity and individual freedom, central values of civilization threatened by dictatorship, totalitarianism, but also state intervention, emerges in the founding statement of the Mont Pelerin Society. It was created in 1947, when a small and exclusive group of academic economists, historians, and philosophers gathered around the Austrian political philosopher Friedrich von Hayek to support the belief in private property and the competitive market. See The Mont Pelerin Society, *Statement of Aims*, on the society's website.
[4] M. Friedman, *Capitalism and Freedom*, The University of Chicago Press, Chicago and London 2002, pp. 10-11.
[5] The condensed version of *The Road to Serfdom* by F. A. Hayek, as it appeared in the April 1945 edition of Reader's Digest, published by The Institute of Economic Affairs in London, 2005, p. 40.

increasing reliance on public-private partnerships, which signals that "the boundary between the state and corporate power has become more and more porous."[6] Another contradiction concerning the neoliberal state is the interpretation of monopoly power: competition often results in monopoly[7] or oligopoly, as stronger firms drive out weaker. Most neoliberal theorists consider this unproblematic as they believe all agents acting in the market have access to the same information, without asymmetries of power, but this is hardly the case. Moreover, authoritarianism in market enforcement and individual freedoms do not blend together. On the one hand, in fact, the neoliberal state is expected to simply set the rules for market functioning without intervening; yet, on the other hand, it should actively intervene to create a good business climate and guarantee mechanisms of security.[8] And regardless of what it should or should not do, it often intervenes to pursue certain objectives in a way that contradicts the general theory. The idea of laissez faire, for instance, has been invoked in certain cases, such as Reagan's deregulation of air transport, and ignored in others, particularly the simultaneous undermining of Nicaragua's ports and the investment of billions of dollars of public debt in new missiles. Another gap between neoliberal theory and practice can be seen in the idea of deregulation: does it consist in the absence of rules, or rather, as is the case, in new rules of a different kind? The liberalisation of capital, for example, implies a re-regulation of labour – we need only think of the right to strike. And while individuals are free to choose, they cannot choose to construct strong collective institutions such as trade unions. Neoliberalism puts strong limits on democratic governance, preferring the government of elites and experts. This is also linked to the practice of prioritizing the needs of banks and financial institutions while sacrificing the standard of living of the population, which most recently occurred with the invocation of austerity to save the global banking system from the 2007-2008 financial crisis.[9]

Anyways, the influence and power exerted by neoliberalism have been such that it has often been equated with the notion of globalization tout-court. The so-called Washington Consensus as policy prescriptions for development[10] was presented as the guiding paradigm for the proper conduct in the free market; advocates of liberty such as Margaret Thatcher claimed that "there is no alternative" to capitalism and liberal democracy, and even "the end of history" was announced.[11] Thus, on the one hand the term globalization is still widely used to indicate the creation of world-scale liberalised markets; on the other hand, several movements are defined as anti-globalization while they are in fact opposed to neoliberalism rather than globalization.[12] Therefore, a distinction needs to be made between globalization as a process and neoliberalism as a policy approach – which is neither irresistible nor inevitable - to this development. Perhaps a third level can be identified: that of neoliberalism as a justificatory discourse. In other words,

[6] D. Harvey, *A Brief History of Neoliberalism*, Oxford University Press, New York 2005, pp. 77-78.
[7] M. Foucault, *The Birth of Biopolitics. Lectures at the Collège de France 1978-79* (edited by M. Senellart), Palgrave MacMillan, New York 2008, p. 134.
[8] "Liberty and security: it is the procedures of control and forms of state intervention required by this double exigency that constitute the paradox of liberalism...", *ibid*., p. 329.
[9] M. Blyth, *Austerity. The History of a Dangerous Idea*, Oxford University Press, New York 2013.
[10] J. Williamson, 'What Washington Means by Policy Reform', in J. Williamson (ed.), *Latin American Adjustment: How Much Has Happened?*, Institute for International Economics, Washington DC 1990, pp. 7–20.
[11] F. Fukuyama, *The End of History and the Last Man*, Hamish Hamilton, London 1992.
[12] J. A. Scholte, *The Sources of Neoliberal Globalization*, United Nations Research Institute for Social Development, Programme Paper Number 8 October 2005, p. 1.

no matter what the policy is, neoliberalism intervenes as an ideology to attribute meanings. Ronald Reagan's policy approach is a case in point: while associating radical "neoliberal" policies at the microeconomic level and "hyper-Keynesian" policies at the macroeconomic level (US public deficits had never been greater), he made use of a neoliberal interpretation – i.e. the justificatory discourse – of US economic recovery in the 1980s and bypassed the fact that billions of public dollars were spent in those years to finance Reagan's expensive fiscal policy.

This chapter is composed by two main blocks: the structure of the first owes much to the framework elaborated by Jan Aart Scholte,[13] whose aim was to provide a critical introduction to the concept of globalization. Here, therefore, the analysis starts with an account of the main definitions and issues in the debate over globalization; secondly, it will be argued that globalization is characterised by a complex interaction of change and continuity, especially for what concerns production, governance and identity; finally, the impact of the change and continuity associated with globalization will be assessed in the fields of (in)security, (in)equality and (un)democracy. The crucial point advanced in the present work is the fact that neither positive nor negative consequences are intrinsic to globalization per se, but every outcome is shaped – although not determined - by precise political choices. Hence, it will be argued that, starting approximately from the 1980s, it was the dominating political framework of neoliberalism that increased insecurity and exacerbated inequality and democratic deficits. As authors like Milton Friedman would point out that nothing is more democratic than market-led processes, the argument will include more precise definitions and analyses of the concepts of insecurity, inequality, and democratic deficits.

The second block represents instead an attempt at summarising the consequences that neoliberal globalization – also referred to as "IMF-led globalization" and as distinguished from globalization as such – had on Third World countries, particularly with reference to the unfolding of cultural nationalism.

I – DEBATES, DEFINITIONS AND EVALUATIONS

As it has already been pointed out, the concept of globalization and its consequences are still widely debated. Any analysis of this phenomenon's nature and implications must therefore be introduced by an overview of the discussions concerning definitions, effects and evaluations. Some accounts have favoured the idea of internationality over that of globality in order to describe the phenomenon; it has even been argued that, far from being a distinctive feature of the contemporary world, globalization is a myth and has actually never occurred; other disputes concern the recent or, alternatively, more ancient character of globalizing trends; finally, scholars are divided over the evaluation of globalization as a process enhancing or undermining security, equality and democracy.

Politics, economics and culture are traditionally studied in the framework of assumptions concerning the strict separation between internal and external, local and global affairs; today, orthodox approaches based on such assumptions are becoming increasingly more inadequate. In order to enrich the

[13] J. A. Scholte, *Globalization. A Critical Introduction*, Palgrave Macmillan, New York 2005 (2nd ed.).

understanding of globalization, various definitions are still being provided: they mainly differ from each other in the emphasis assigned to material, spatio-temporal and cognitive aspects of globalization.[14] Among these aspects are the increased flows of trade, capital and people thanks to the development of infrastructures and trade rules; accelerating interdependence; the erosion of borders; the restructuring of power relations; and the public awareness of the new global condition, which sometimes takes the form of a sort of cosmopolitism. Nonetheless, many have pointed out that harmony and a global cultural convergence are all but a necessary result of current globalizing trends. Indeed, increased interconnectedness generates awareness of the differences and can thus produce reactionary or xenophobic politics; furthermore, as a significant portion of the world's population is still excluded from its advantages, globalization is opposed by many as it is considered a divisive and unfair process.[15]

Indeed, the debate concerning the nature and the implications of contemporary globalization provides inspiring and thought-provoking contributions, but it is still far from reaching a conclusive account on the phenomenon. Various authors have tried to classify the different arguments concerning globalization; Anthony Giddens,[16] for instance, distinguished two main bodies of literature dealing with globalization: the literature of international relations, on the one hand, which focuses on the role of sovereign nation-states; and the "world-system theory", on the other hand, which downscales the role of nation-states and sees capitalism as the pivotal institutional element which accounts for the emergence of the modern "world capitalist economy", characterised by commercial and manufacturing connections, and not by a political centre. In Immanuel Wallerstein's words: "Capitalism was from the beginning an affair of the world economy and not of nation-states. [...] Capital has never allowed its aspirations to be determined by national boundaries."[17]

Another attempt at summarising the various positions of the debate about globalization was made by Held and McGrew, who identified two main sides: the *globalist* argument, which considers globalization as a real and significant phenomenon, and the *sceptic* argument, which sees globalization as an ideological or social construction with little explanatory value.[18] In spite of the differences between (and within) each camp, some common ground can be found. Both sides, for example, acknowledge the growth in economic integration and the various ways in which it affects different regions and communities; furthermore, there is agreement upon the fact that the traditional role of the nation-state is being called into question by transnational issues and the expansion of international governance at regional and global levels; finally, it is undeniable that political, economic and cultural competition at regional and global levels challenges old hierarchies and engenders new forms of inequality in wealth,

[14] D. Held, A. McGrew (eds.), *The Global Transformations Reader. An Introduction to the Globalization Debate*, Polity Press, 2003 (2nd ed.), p. 3.
[15] See for instance A. Hurrell, N. Woods (eds.) *Inequality, Globalization, and World Politics*, Oxford University Press, Oxford 1999; C. Thomas, P. Wilkin (eds.), *Globalization and the South*, Palgrave Macmillan, Basingstoke 1997.
[16] A. Giddens, *The Consequences of Modernity*, Polity Press, Cambridge 1990, pp. 65-69.
[17] I. Wallerstein, *The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis*, in his *The Capitalist World Economy*, Cambridge University Press 1979, p. 19.
[18] D. Held, A. McGrew (eds.), *The Global Transformations Reader*, op. cit., p. 2.

power and knowledge.[19] As for the differences between the various paradigms, they concern both the concept of globalization itself and the implications it has for traditional cultures and power relations. These divergences are further investigated in the following pages.

Defining and explaining globalization

Considerations about time-space distanciation and the "stretching"[20] of connections between distant social contexts during the modern era are a common element in most classic definitions of globalization. Referring to that period, Giddens considered globalization "the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa."[21] Jürgen Osterhammel, instead, wrote that the term globalization could roughly be defined as the "accelerated and spatially extended mobilization of resources across the boundaries of states and civilizations",[22] which concerned several processes such as migrations, the growing importance of trade and finance, research, and the very first internationally organised critics of the prevailing order attempted by workers, women, anti-racists and anti-colonialists. But the real "golden age" for the expansion of political and economic interdependence, especially between Western states, was collocated during the 1960s and the 1970s. The fact that those are the same years in which the neoliberal approach started to affirm itself is precisely what accounts for the conflation of the notions of globalization and neoliberalism, and for the common understanding of this phenomenon as the establishment of a global free market.

A clarifying summary of the various ways in which globalization has been conceived was provided by Scholte, who identified five broad conceptions: according to him, globalization was alternatively intended as a process of internationalisation, liberalisation, universalisation, westernisation, or respatialisation.[23]

Conceiving globalization in terms of *internationalisation* implies a reassertion of the role of borders and modern nation-states, in spite of the increase in international exchange and interdependence. The sceptic front described by Held and McGrew, in fact, believes that the notion of globalization cannot adequately describe current trends, and that it might be preferable to refer to the concepts of "internationalisation" or "regionalisation", that is, the increase in the relations between *national* economies or societies. In this sense, scholars like Paul Hirst and Grahame Thompson see globalization merely as "large and growing flows of trade and capital investment between countries".[24] However, it has been pointed out that, far from becoming irrelevant, territorial considerations have seen a restructuring, in

[19] *Ibid*., p. 38.
[20] D. Held, A. McGrew, D. Goldblatt and J. Perraton, *Rethinking Globalization*, in D. Held, A. McGrew (eds.), *The Global Transformations Reader*, op. cit., p. 67.
[21] A. Giddens, *The Consequences of Modernity*, op. cit., p. 64.
[22] J. Osterhammel, *The Transformation of the World. A Global History of the Nineteenth Century*, Princeton University Press, Princeton and Oxford 2014, p. 911.
[23] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 15-16.
[24] P. Hirst, G. Thompson, 'Globalisation: Ten Frequently Asked Questions and Some Surprising Answers', in *Soundings*, vol. 4 (Autumn 1996), p. 48.

a global context, of their relevance and role, so that political, social and economic activities can no longer be studied as conditioned by national territorial boundaries alone. This argument has been further developed to claim that, since several state activities and responsibilities have to be increasingly managed through forms of multilateral cooperation, with both other states and non-state actors, the very legitimacy and sovereignty of states are challenged.[25]

Globalization has also been equated with *liberalisation*, especially by neoliberals, and used to refer to the process of international economic integration through the removal of state-imposed limitations of movements between countries.[26] As the reduction of state restrictions on the free circulation of resources among countries is a distinctive feature of recent history, it is not hard to see why the notions of globalization and liberalisation have been conflated. This is among the causes of the widespread persuasion that neoliberalization through globalization is the "only alternative". According to critics such as David Harvey, other reasons stand behind the success of neoliberal globalization: first, only certain territories experienced spectacular advancement, and they did so at the expense of others; consequently, "the fact that 'success' was to be had somewhere obscured the fact that neoliberalization was generally failing to stimulate growth or improve well-being,"[27] so the trend continued to be praised. Secondly, neoliberalization mostly benefitted upper-class interests, whose control of the media allowed the propagation of the myth according to which countries fail economically because they are not competitive and do not enhance their own human capital. Furthermore, Harvey maintained that globalization intended as liberalisation, and thus associated with international competition, has been used as a secret weapon "to discipline movements opposed to the neoliberal agenda within individual states."[28]

Others have viewed globalization as *universalisation*, which refers to the spread of people, goods and cultural phenomena to every corner of the planet. There is no doubt about the truth of this diffusion; however, the very transcontinental spread of the human species hundreds of thousands of years ago and the diffusion of world religions are manifestations of universalisation, so this phenomenon is hardly new to the contemporary world and provides little contribution to a better understanding of globalization.[29]

Westernisation or *modernisation*, especially in an "Americanised" form,[30] is another way in which globalization has been conceived, particularly by Marxist analyses, according to which the only function of globalization would be that of working as a medium for the spread of the social structures associated with Western modernity, such as capitalism, industrialism, individualism and so on. In this sense, as many sceptics argue, the notion of globalization is an ideological construction, a convenient myth to justify and legitimise the creation of a global free market and the consolidation of Anglo-

[25] D. Held, A. McGrew (eds.), *The Global Transformations Reader*, op. cit., p. 13.
[26] H. Sander, 'Multilateralism, Regionalism and Globalisation: The Challenges to the World Trading System', in H. Sander, A. Inotai (eds.), *World Trade after the Uruguay Round: Prospects and Policy Options for the Twenty-First Century*, Routledge, London 1996, p. 27.
[27] D. Harvey, *A Brief History of Neoliberalism*, op. cit., pp. 156-157.
[28] *Ibid*., p. 70.
[29] J. A. Scholte, 'What is 'Global' About Globalization?', in D. Held, A. McGrew, (eds.), *The Global Transformations Reader*, op. cit., p. 84.
[30] As it is often associated with American hegemony, globalization in this sense is sometimes used to refer to the imperialism of McDonald's, Hollywood and CNN. See for example P. Gowan, *The Global Gamble: Washington's Faustian Bid for World Dominance*, Verso, London 1999.

American capitalism.[31] According to this view, it is no accident that talks about globalization became so widespread precisely when the neoliberal global project was affirming itself. Scholars such as Martin Khor went as far as to declare that "globalization is what we in the Third World have for several centuries called colonization."[32] It is maintained that a new kind of Western imperialism has emerged, one characterised by new mechanisms of surveillance, such as the IMF, the G7, and the World Bank, whose function is to ensure that the requirements of finance capital are met.[33] Even realist scholars argue that the existing liberal world order relies on the exercise of hegemonic power by the US,[34] which is an additional proof of the non-inevitable character of (neoliberal) globalization since hegemony is, by definition, a temporary phenomenon. The globalist account, however, rejects presumptions that globalization is simply an ideological construction or another way to mean Western imperialism. On the contrary, globalization mirrors real structural changes that transcend the role of individual states in modern social organisation; the role played by international, transnational and non-governmental organizations, MNCs, financial markets, popular culture and global developments such as environmental degradation are there to prove the saliency of the phenomenon. The fact that the discourse of globalization also serves powerful interests in the West does not affect the reality of current globalizing trends nor their consequences for the restructuring of state power.[35]

Finally, the approach developed by Scholte has identified globalization as a process of *respatialisation*, that is, a spatial transformation or, more precisely, a change in social space. As he wrote,

> globalization refers to a trend and process, namely, the growth of transplanetary connections between people. Globalization involves the reduction of barriers to transworld contacts. […] Not only is space significant in its own right but also tightly interconnected with culture, economy, politics, psychology and ecology. Hence, a reconfiguration of social space, such as globalization, is intimately linked to shifts in patterns of knowledge, production, governance, identity and the ways that people relate to nature.[36]

Scholte describes these trends in terms of "supraterritoriality", meaning that the new connections engendered by globalization are relatively independent from territorial space. Thus, globalization is not simply about the time-space compression, caused by innovation in transportation technology, that characterised past globalizing trends. Time-space compression in the past, in fact, was still confined to a territorial dimension, whereas today "transworld simultaneity and instantaneity take social relations beyond territorial geography."[37]

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[31] P. Hirst, 'The Global Economy: Myths and Realities', in *International Affairs*, Vol. 73, No. 3, Globalization and International Relations, July 1997, pp. 409-425.
[32] M. Khor, Address to the International Forum on Globalization, New York City, November 1995.
[33] K. Van der Pijl, *Transnational Classes and International Relations*, Routledge, London 1999.
[34] R. Gilpin, *The Political Economy of International Relations*, Princeton University Press, Princeton 1987.
[35] A. Giddens, *The Consequences of Modernity*, op. cit., pp. 174-176.
[36] J. A. Scholte, *The Sources of Neoliberal Globalization*, op. cit., p. 3.
[37] *Ibid*., p. 5.

If globalization is, therefore, a matter of growing transplanetary and supraterritorial connections, globality is first of all a feature of social geography. As a consequence, it is important to strongly emphasise, once again, that globalization as a restructuring of social space is radically different from neoliberal globalization, as neoliberalism is simply a policy approach to globalizing trends. Furthermore, Ohmae's claims that we live in a "borderless world"[38] have to be rejected as too simplistic and imprecise; indeed, the transplanetary and supraterritorial character of globalization does not mean that territorial geography and associated economies, governments and identities are now irrelevant. A number of reasons account for the unchanged importance of territoriality: firstly, the influence of borders in trade and movements of people remains unchallenged;[39] in addition, tendencies to reterritorialisation have been observed in the forms of regionalisation and offshore arrangements.

Secondly, globalization must not be equated with cultural homogenisation. According to the sceptics, the elites' effort[40] to build national cultures and nationhood in the modern era has been so extensive that the development of a global mass culture cannot erode national identities nor engender a decline in the importance of nationalism. In contrast, globalists have pointed out that, if it is true that national cultures have been created in the modern era for the purpose of enhancing state power, then national identities are not immutable nor inevitable, especially in an age of globalization, when social, political and economic forces evade the jurisdiction of the nation-state. In addition, as people are exposed to different values and cultures in an unprecedented way, identities can no longer be considered as peculiar to particular times and places, but rather "less fixed or unified."[41] Giddens' point of view, instead, is more nuanced insofar as he considers that globalization produces a movement away from the nation towards both large scale continental identities and much smaller local identities: "At the same time as social relations become laterally stretched and as part of the same process [of accelerated globalization], we see the strengthening of pressures for local autonomy and regional cultural identity."[42]

A third reason accounting for the unchanged importance of territoriality is the fact that globalization has not spread evenly across nor within societies. For example, North America, Western Europe and East Asia have experienced more globalization than other regions; similarly, at a local level, urban areas and wealthier social classes have been more involved in global networks compared to the countryside and the less-favoured social groups, so marginalisation can be said to have often accompanied contemporary globalization.[43]

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[38] K. Ohmae, *The Borderless World*, Collins, London 1990.
[39] J. F. Helliwell, *How Much Do National Borders Matter?*, Brookings Institution Press, Washington, D.C. 1998.
[40] Some scholars argued that elites could not have "invented nations where none existed" (A. D. Smith, 'Towards a global culture?', in M. Featherstone (ed.), *Global Culture: Nationalism, Globalization and Modernity*, Sage, London 1990, pp. 180-181), while others saw the formation of the ideas of nation and nationhood as relying on attempts, also via a mass education system, to create a new identity, a new "imagined community" to legitimise the strengthening of state power and state-coordinated modernisation (B. Anderson, *Imagined Communities: Reflections on the Origins and Spread of Nationalism*, op. cit.; J. Breuilly, *Nationalism and the State*, op. cit.; E. Gellner, *Nations and Nationalism*, op. cit.).
[41] S. Hall, 'The question of cultural identity', in S. Hall, D. Held, A. McGrew (eds.), *Modernity and its Futu*res, Polity Press, Cambridge 1992, pp. 303, 309.
[42] A. Giddens, *The Consequences of Modernity*, op. cit., p. 65.
[43] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 119.

Finally, power considerations explain why territoriality should not be dismissed as obsolete in the contemporary globalised world. In Scholte's words: "Space always involves politics: processes of acquiring, distributing and exercising social power. [...] Global links are venues of conflict and cooperation, hierarchy and equality, opportunity and its denial."[44] Like any other social space, in fact, globality entails the more or less overt exercise of power – and issues of power are inextricably linked to issues of justice. Consequently, the ways in which globalization unfolds and the policy approaches adopted toward it are all but politically neutral; and it is precisely the will to present neoliberal globalization as the only alternative which explains the interest in presenting the process of globalization as coinciding with the neoliberal turn.

Beside addressing definitions, debates about globalization also deal with its history and especially try to assess whether globalization is a new or old phenomenon. Broadly speaking, globalists tend to believe in the recent and unprecedented character of globalization; conversely, globalization is seen as part of a much longer process by proponents of definitions relying on the notions of internationalisation, liberalisation, universalisation and westernisation. However, if one analyses globalization as the spread of transplanetary and supraterritorial relations, then both longer-term and contemporary aspects can be identified. With this definition of globalization as both old and new in mind, Held and McGrew identified four stages: pre-modern, early modern, modern industrial, and contemporary;[45] Scholte, instead, focused on three phases:[46] "intimations of globality", or the gradual and intermittent appearance of global consciousness, trade and connectivity, albeit on a very limited scale, until the XIX century; "incipient globalization", characterised by increased *transplanetary* links developed until the beginning of the XX century, such as new global communications technologies, the growth and consolidation of global markets and finance; "contemporary accelerated globalization", attested since the mid-twentieth century and characterised by the large scale *supraterritoriality* of unprecedented social phenomena, such as advanced and digital telecommunications, global regulations, transplanetary trade and financial transactions, civil society associations, and global ecological changes.

The great increase in the variety, intensity and influence of contemporary globalization does not imply, nonetheless, that the process is linear and irreversible; however, it is highly unlikely that any reversal is going to occur anytime soon, as is suggested by the forces identified as being behind globalization. Indeed, another controversial issue is that of explaining which forces engendered globalization, that is, by which dynamics the spread of transnational and supraterritorial connections occurred. Various theoretical frameworks have attempted to do so by providing different, more or less materialistic perspectives and accounts of the actors, structures and processes that have propelled globalization.

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[44] *Ibid*., p. 82.
[45] D. Held, A. McGrew, D. Goldblatt, J. Perraton, *Global Transformations: Politics, Economics and Culture*, Stanford University Press, Stanford 1999, p. 26.
[46] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 87-116.

According to liberal explanations, including those that promote neoliberal policies, globalization can be attributed to market forces, technological progress in the realms of transportation, communication and information, and the realisation of institutional infrastructures that facilitate interdependence.[47] Furthermore, an important role is played by "natural" human desires for economic welfare and political liberty.[48] The main criticism advanced against liberal explanations of globalization is the fact that these accounts do not take sufficiently into account the role of power hierarchies between states, classes, cultures and sexes.[49]

Other theoretical frameworks, on the other hand, have the merit of addressing issues of power to explain globalization, but they usually fail to consider more than one aspect of these structural inequalities. The focus of proponents of political realism, for example, is inter-state relations and struggles for power.[50]Some realists examine these aspects in terms of hegemonic stability theory, while others frame interstate competition in terms of balance of power, thus explaining globalization either as a result of US hegemony – which doubtlessly had a role in stimulating and orienting the process - or as originating from competition among major states, or both. According to these views, the most powerful states' priority is that of strengthening their position relative to other countries by promoting their currencies, attracting global firms, and supporting the global expansion of firms under their jurisdiction in order to extend their influence. These explanations have the merit of bringing the attention to power issues and struggles and to the fact that states still play a crucial role in spite of globalizing trends and claims that territorial states are no longer relevant. Nonetheless, a number of non-state actors has acquired increased importance over time: it is especially the case of regional and international organisations, private-sector agencies, firms, but also civil society associations. In addition, other types of power relations have been shown to affect the course of globalization, such as class, culture and gender relations. Finally, globalization is not only about power, but also culture, ecology, economics and psychology; these aspects of social relations are just as important as political and power relation in order to explain globalization.[51]

Marxist currents similarly underline the importance of power relations, but they describe globalization as a phenomenon stemming from the capitalist mode of production and the exploitative class relations it establishes. Since an expansion of transplanetary relations creates further opportunities for profit and surplus accumulation in a capitalist order, it follows that globalization is a strategy that enables the capitalist, bourgeois class to increase its resources and power over the proletariat. While more traditional Marxist accounts have focused on the role of global companies and capitalist class

[47] R. O. Keohane, 'International Institutions: Can Interdependence Work?', *Foreign Policy*, No. 110, 1998, pp. 82–96.
[48] F. A. Hayek, *The Constitution of Liberty*, University of Chicago Press, 1978; M. Friedman, *Capitalism and Freedom*, op. cit.
[49] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 126.
[50]Cf. K. N. Waltz, *Theory of International Politics*, Waveland Press, Long Grove, Illinois 2010 [1979]; R. Gilpin, *Global Political Economy: Understanding the International Economic Order*, Princeton University Press, Princeton 2001; J. J. Mearsheimer, *The Tragedy of Great Power Politics*, Norton, New York 2003 [2001].
[51] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 127-128.

networks,[52] neo-Marxist approaches have advanced dependency and world-system theories to draw attention to the fact that the dynamics existing between the bourgeois and the proletarian classes can also be found at the international level, between core and peripheral countries.[53] However, the point of view on power relations presented by Marxist scholars is still too limited. While capitalism played a key role in generating globalization, the latter cannot only be explained in terms of surplus accumulation and class relations, since dominance in the globalizing world has also involved the dimensions of state, culture, gender, race, and so on. Furthermore, Marxism has excessively relied on methodological materialism and political economy to explain globalization and other social phenomena, thus disregarding crucial factors such as culture, knowledge and identity, and the influence they have in shaping capitalism, just like capitalism gives shape to their structures.[54]

To overcome this shortcoming, idealist approaches such as post-modernism [55] and constructivism[56] have advanced arguments which are more concerned with knowledge power, the social construction of reality, and the communication of shared values and understandings; therefore, they have explained globalization either as the result of the imposition of western rationalism and US hegemony[57]on a global scale, or as a phenomenon alien to power issues and originating from the reimagining of society and identities on transplanetary lines. However, these idealist approaches have themselves a number of limitations: constructivism, for example, disregards the role played by economic and political issues, and particularly inequalities and power hierarchies, in the construction of social reality; as for post-modernism, it has tended to reduce material forces like politics, economy and ecology to more ideational elements such as predominant discourses, identities, norms and knowledge, whereas the integration of both material and ideational forces would be desirable to explain social phenomena like globalization.[58]

In the following section, definitions and explanations of contemporary globalization will be further developed by arguing that not only did forces in contemporary history encourage the increase in transplanetary connectivity, but also that the respatialisation of social relations is the result of a complex interaction of changes and continuities of social structure. In other words, globalization itself promoted both the evolution and the persistence of a number of social structures.

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[52] P. Burnham, 'Globalisation: States, Markets and Class Relations', *Historical Materialism*, vol. 1, no. 1, 1997, pp. 150–60; J. Harris, 'Globalisation and the Transformation of Capitalism', *Race & Class*, vol. 40, no. 2/3 (October 1998–March 1999), pp. 21–35.
[53] I. Wallerstein, *The Capitalist World Economy*, op. cit.
[54] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 130.
[55] M. Foucault, *The Order of Things*, Tavistock, London 1970 [1966]; G. Ó' Tuathail, *Critical Geopolitics: The Politics of Writing Global Space*, Routledge, London 1996.
[56] E. Adler, 'Constructivism and International Relations', in W. Carlsnaes *et al*. (eds), *Handbook of International Relations*, Sage, London 2003, pp. 95–118.; M. Barnett, 'Social Constructivism', in J. Baylis and S. Smith (eds.), *The Globalization of World Politics: An Introduction to International Relations*, Oxford University Press, Oxford 2005 (3rd ed.), pp. 251–270.
[57] See especially the already mentioned E. Said, *Orientalism*, op. cit.
[58] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 132-133.

A COMPLEX INTERACTION OF CHANGE AND CONTINUITY

The merit of Scholte's work was to summarise the insights provided by the explanatory theoretical frameworks just described in an eclectic and multifaceted account of globalization. He considered globalization as part of a "socio-historical dynamic involving five interrelated shifts in macro social structures", where the first, the growth of transplanetary and supraterritorial connectivity, is intertwined with four other developments: "a shift from capitalism towards hypercapitalism in respect of production; a shift from statism towards polycentrism in respect of governance; a shift from nationalism towards pluralism and hybridity in respect of identity; and a shift from rationalism towards reflexive rationality in respect of knowledge."[59]

Scholte's insight is particularly interesting as he considers globalization both as a result and as a cause (albeit not the primary or only cause) of contemporary social changes: on the one hand, developments in the realms of production, governance, identity and knowledge have contributed to large-scale growth of transplanetary connectivity; on the other hand, contemporary globalization has encouraged changes (and contributed to continuities) in those four realms. The following paragraphs deal precisely with this complex interaction of globalization with shifts in production, governance, identity and knowledge. Increased attention to such complexity is justified by Scholte's concerns with the development of policies to positively address globalization;[60] it is in fact of the utmost importance to remember that the trends furthered by globalization are neither necessary nor irresistible, as the process has been shaped considerably by policy choices.

Globalization and production: perpetuation and restructuring of capitalism

As it has been pointed out, globalization can be considered as both an input and an outcome in the complex interrelation of various dynamics; the first one, analysed in this paragraph, has to do with the economic conditions related to the capitalist mode of production. As a social order where economic activity is oriented towards the accumulation of surplus, capitalism and its dynamics have encouraged globalization in various ways; among them figure, in particular, attempts at increasing sales, reducing tax liabilities and costs of production, made through market expansion, the development of global accounting practices, and global sourcing; these strategies, in turn, were all made possible by technological innovation in the realms of communication, transport and data processing.[61]

On the other hand, while globalization has encouraged the development of new forms of accumulation, it has also consolidated older forms and furthered capitalism as the prevailing mode of production. In other words, as expanding global spaces have created new opportunities for surplus accumulation, globalization has contributed to the restructuring and maintenance of capitalism, leading to

[59] *Ibid*., p. 136.
[60] Cf. *ibid*., chapter 12 "(Re)constructing Future Globalizations".
[61] *Ibid*., pp. 138-139.

the emergence of "hypercapitalism". [62] The first trend induced by globalization is expanded commodification: surplus is created, extracted and amassed in progressively more and more sectors, from primary production and heavy industry in earlier eras to the consumer, [63] finance, [64] information, communications, genetic, atomic and care sectors along with the growth of transplanetary and supraterritorial connectivity.

The second trend promoted by globalization is a reorganisation of capitalism and of the conditions of accumulation. Surplus accumulation, in fact, was incredibly enhanced by the emergence of offshore centres, transworld companies[65] and mergers and acquisitions[66] which have, in turn, contributed to an increased concentration of capital, facilitated entry into target countries and multiplied domestic fusions.

In sum, the respatialisation of social relations has not brought an end to capitalism as the main mode of production; on the contrary, it has deepened the hold of capitalism by providing conditions for faster and greater surplus accumulation, a situation which was labelled as "hypercapitalism". Likewise, capitalism has not generated contemporary globalization by itself: restructured regulatory arrangements and identity frameworks also played their part. Still, accelerated globalization in its interaction with the development of "hypercapitalist" practices and structures has raised several questions concerning the degree of democratic control on economic policy, inequality and fair distribution. As will be further developed in the second part of this chapter, one of the historical effects of capitalism and of its maintenance during contemporary globalization was a perpetuation of exploitation, in a more overt (as in wage disputes) or latent way (as in the case of surplus transfer from people in the South to countries in the North through debt servicing.

Globalization and governance: state restructuring and polycentrism

For social change to take place, certain stimulating and facilitating rules are needed. Such rules are formulated within structures of governance, which change through history and witness evolutions in the roles of governments, supra-state regimes and private actors. According to Scholte, contemporary globalization has unfolded with a shift from statism to a polycentric mode of regulation. This has by no means implied, nonetheless, the end of the state's role for the functioning of the global economy. Indeed, state regulation has encouraged globalization in a number of ways: providing transportation,

[62] *Ibid*., pp. 159 ff.
[63] N. Klein, *No Logo: Taking Aim at the Brand Bullies*, Flamingo, London 2000.
[64] Between the 1970s and the 1990s, the value of global portfolio movements went from being equal to FDI flows to becoming three times larger than those flows (*FT*, 30 September 1994: XII, quoted in J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 166).
[65] In 2004, UNCTAD reported that yearly sales by all foreign affiliates of trans-border firms skyrocketed from $2.7 trillion in 1982 to $5.6 trillion in 1990 to $17.6 trillion in 2003 (UNCTAD, *World Investment Report 2004: The Shift towards Services*, United Nations, Geneva, p. 9).
[66] "Capital is becoming even more concentrated globally as mega-corporations merge, often across borders—Chrysler and Daimler, Hoechst and Rhone-Poulenc, Exxon and Mobil. From 1990 to 1997 the annual number of mergers and acquisitions more than doubled, from 11,300 to 24,600. Cross-border mergers and acquisitions accounted for $236 billion in 1997. Multinational corporations now dwarf some governments in economic power" (HDR, *Human Development Report 1999*, op. cit., p. 32).

communication and organisational infrastructures that enhanced global connections; liberalising international trade and financial transactions; guaranteeing property rights for global capital; promoting global governance arrangements concerning standardisations, legal principles, administrative procedures, as in the case of bodies of global governance like the Bretton Woods institutions and the United Nations agencies. However, it is undeniable that with the rise of polycentrism the state's role in fostering globalization has at times been shadowed – or anyways complemented - by the contribution of regional, trans-world and private regimes.[67]

In turn, globalization has encouraged several changes in the contemporary structure of governance alongside shifts in the organisation of production at a global level.[68] By bringing an end to territorialism, large-scale transplanetary relations have caused a move away from statism as a viable mode of governance and encouraged the emergence of a polycentric organisation. In other words, transplanetary relations no longer allow states to exercise exclusive and absolute power over their territory, even if they remain fundamental sites of regulation in the contemporary world. The state has undoubtedly faced a restructuring of its role, since it has lost much of its monopoly in the formulation, implementation, control and enforcement of societal rules. Indeed, globalization provided unprecedented opportunities for the rise of sub-state authorities such as provincial governments and municipalities, supra-state institutions (which might affect aspects of state-building and the way states act collectively) and civil society activism, even around the theme of globalization itself and sometimes in the form of "anti-globalization" movements.[69] However, as pointed out by Naomi Klein, "anti-globalization" is a misleading definition, as the movement actually protested against the failure of traditional party politics in the face of global corporations and institutions: "All over the world, citizens have worked to elect social democratic and workers' parties, only to watch them plead impotence in the face of market forces and IMF dictates."[70] In addition, this kind of "new medievalism",[71] of polycentric, multi-layered and trans-scalar governance saw the spread of private alongside public regulatory mechanisms, owing to the dominance of the neoliberal framework in contemporary globalization.

An interesting example for the analysis of state restructuring, diffusion of regulation, and implications for stronger and weaker states is the case of social welfare provisions. In the last decades of the twentieth century, responsibilities for the provision of services such as education, healthcare, housing and pensions have increasingly been transferred to private actors in order to avoid a concentration of power in the hands of the State and safeguard the liberty of the citizen. Market liberalisation and a general retreat of state-managed social provisions have unfolded at the same time as accelerated globalization, both in the North (for example in Britain under Thatcher and in the US under Reagan) and across the

[67] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 141-144.
[68] *Ibid*., pp. 185 ff.
[69] R. Cohen, S.M. Rai (eds.), *Global Social Movements*, Athlone Press, London 2000; J. Smith, H. Johnston (eds.), *Globalization and Resistance: Transnational Dimensions of Social Movements*, Rowman & Littlefield, Lanham, MD 2002.
[70] N. Klein, *Fences and Windows: Dispatches from the Front Lines of the Globalization Debate*, Vintage Canada, Toronto 2002, p. 21.
[71] H. Bull, *The Anarchical Society: A Study of Order in World Politics*, Palgrave Macmillan, Basingstoke 1977, pp. 254–255, 264–276; J. Anderson, 'The Shifting Stage of Politics: New Medieval and Postmodern Territorialities?', *Environment and Planning D: Society and Space*, vol. 14, no. 2, April 1996, pp. 133–53.

South, especially by means of structural adjustment programmes.[72] Thus, causal correlation has been identified between increasing transworld connectivity and growing welfare gaps: cuts of the higher rates of tax and the reduction of social protections, for example, were justified by governments as the only viable ways to face global competition. However, several doubts were raised on the purported limited state ability to raise tax revenues and pay for welfare provisions. To be sure, governmental positions and policies in the most powerful countries face less constrains compared with weaker countries; on the other hand, the evolution of the welfare state cannot entirely be attributed to globalization. To explain such trends, changes in demographic patterns (particularly ageing populations),[73] labour markets,[74] budget deficits[75] and the rise of neoliberalism[76] should also be taken into account.

That said, it is essential to emphasise that globalization has not implied the end of state power, but rather a transformation (or a reduction, according to certain scholars) of state autonomy, sovereignty and social solidarity, particularly as neoliberal economic policies have been imposed on and limited the action of national governments worldwide.[77] Anyways, it is important to avoid exaggerate claims that contemporary globalization has made the state powerless, which is a fundamentally misleading notion: in fact, governments can still, albeit to varying degrees, shape the process of globalization by means of fiscal, monetary, consumer, labour, and environmental policies, although they have at times justified their

[72] N. Rudra, 'Globalization and the Decline of the Welfare State in Less-Developed Countries', *International Organization*, vol. 56, no. 2 (Spring) 2002, pp. 411–445.

[73] Among the social implications of ageing populations are a greater number of dependents and fewer working-age adults to support them, reductions in family size and changes in family structure, a higher risk of social isolation and exclusion, and increasing pressure on welfare states posing challenges for public finance sustainability. From 2010 to 2060, for instance, age-related expenditure (public pensions, healthcare, long-term care and education) are projected to increase by about 4% to almost 30% of the EU-27 GDP (L. Athenosy, V. Revenco, J. Halb, *Ageing populations in Europe: Challenges and Opportunities for the CEB*, Council of Europe Development Bank (CEB), January 2014, p. 26).

[74] An increase in the amount of temporary contracts over the open-ended ones and a rise of part-time contracts within permanent positions have made structural unemployment more and more common, and they have been paralleled by a consideration of welfare and minimum wage laws as distortions of market efficiency. Keynesian-inspired emphasis on full employment, according to which unemployment is the market's responsibility and welfare has to compensate by sustaining labour demand through the creation of aggregate demand, was in fact abandoned in favour of neoliberal emphasis on efficiency and individual responsibility, according to which even unemployment and poverty have to be blamed on individual laxity and lack of entrepreneurship. This is the so-called "ethics of distribution" to which Friedman refers, which reads as follows: "To each according to what he and the instruments he owns produces." (M. Friedman, *Capitalism and Freedom*, op. cit., pp. 161-162).

[75] Neoliberal governments such as the Reagan administration have favoured cuts in public expenditure over tax raises in order to address and reduce budget deficits. Indeed, higher tax rates reduce the rewards of work and investment, which can have supply-side effects that lower economic growth over decades. Academic studies have, however, shown that these effects are relatively small, and that while both tax increases and spending cuts tend to slow recovery in the near term, spending cuts likely slow it more. In the long run, tax increases seem to do less damage to economic growth and productivity than cuts in government investment, also because tax increases on wealthy households have less effect on the economy than those on the poor or the middle class, who rely more extensively on public expenditure for welfare provision. (C. D. Romer, *The Rock and the Hard Place on the Deficit*, New York Times, 2 /07/2011).

[76] Neoliberal scholars believe that there is no justification for state intervention to promote equality. The bête noire for neoliberalism, in fact, is the concentration of power. This is why Hayek considers welfare as a threat to freedom, "a household state in which a paternalistic power controls most of the income of the community and allocates it to individuals in the forms and quantities which it thinks they need or deserve. [...] [people] can no longer exercise any choice in [...] health, employment, housing and provision for old age, but must accept the decisions made for them by appointed authority on the basis of its evaluation of their need." Quite strikingly, he concludes that "It is sheer illusion to think that when certain needs of the citizen have become the exclusive concern of a single bureaucratic machine, democratic control of that machine can then effectively guard the liberty of the citizen." (F. A. Hayek, 'The meaning of the welfare state', in C. Pierson, F. G. Castles (eds.), *The welfare state reader*, Polity Press, Cambridge 2006, pp. 93-94.).

[77] S. Strange, *The Retreat of the State*, Cambridge University Press, Cambridge 1996; S. Amin, *Capitalism in the Age of Globalization*, Zed Press, London 1997; R. Cox, 'Economic globalization and the limits to liberal democracy', in A. McGrew (ed.), *The Transformation of Democracy? Globalization and Territorial Democracy*, Polity Press, Cambridge 1997; J. A. Scholte, *Global Capitalism and the State*, International Affairs 73(3), July 1997.

inactivity or failures by claiming that globalizing trends are overwhelming and inevitable.[78] To be sure, state power has alternatively been enhanced or weakened by the ways in which global rules and institutions have been managed and used. This explains how the US became a superpower and how weaker states, having limited capacities to manage global flows and relations, lost relative power in the face of expanded globality. Furthermore, weaker states have sometimes been dominated by the power of regional and global institutions such as the IMF, also as a result of dramatic changes in the meaning of sovereignty in the last few decades. In Scholte's words: "Indeed, with cruel irony most new, postcolonial states (established in the time of accelerated globalization and the major rise of supraterritoriality) obtained Westphalian sovereignty in name at the very moment that the principle ceased to be realizable in practice."[79]

Globalization and identity: between national and non-territorial identities

Globalization has also reflected and reinforced changes in the main structures of identity, from nationalism to greater pluralism and hybridity. First of all, it can be argued that earlier modes of identity construction based on the nationality principle have facilitated globalization, insofar as national "selves" have been constituted in relation to foreign "others" on a global scale; in addition, several non-territorial identities on lines of faith, gender and race, among others, have received increasing attention and facilitated the growth of supraterritorial social connections.[80]

As for the way in which globalization encouraged changes in identity structures, it should first and foremost be clear that no "globalization" of political identities has occurred: increased transworld connectivity has by no means brought an end to the relevance of nationality for identity formation,[81] just like the end of territorialism has not led to the end of the state. Rather, it introduced changes in the way national identities manifest themselves and facilitated the emergence of cosmopolitan solidarities and non-territorial identities on lines of faith, class, gender, race, age, sexual orientation and disability. The main effect of such developments was the emergence of hybridity, that is, the fact that individuals experience different, overlapping identities at the same time.

The first aspect that should be retained is, as mentioned, the persistence of the cultural distinctiveness of state-nations. As a matter of fact, encounters in global markets, media and other such circumstances have often increased awareness of – and determination to preserve – national distinctiveness, sometimes provoking reactions such as xenophobic nationalism, tighter immigration controls and calls for trade protectionism.[82] However, our contemporary globalizing world has also witnessed a pluralisation of identities and belonging on scales other than the state-nation: some of them

[78] L. Weiss, 'Globalization and the Myth of the Powerless State', in G. Ritzer, Z. Atalay (eds.), *Readings in Globalization, Key Concepts and Major Debates*, Wiley-Blackwell 2010, pp. 166 ff.; L. McQuaig, *The Cult of Impotence*, Penguin, Toronto 1999.
[79] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 192.
[80] *Ibid*., pp. 147-149, 224 ff.
[81] A. D. Smith, 'The Supersession of Nationalism?', *International Journal of Comparative Sociology*, vol. 31, no. 1–2 (January–April 1990), pp. 1–31.
[82] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 230.

have actually reaffirmed nationhood, albeit in new forms, as in the case of micro-nations,[83] region-nations (such as the Pan-Arab movement) and transworld nations or diasporas.[84] This trend has been promoted by globalization in a number of ways: firstly, by ending statism, it provided unprecedented opportunities for the growth of both sub-state and supra-state identities; secondly, it provided means of communication and organisation that made the growth of these new forms of identity possible; thirdly, by increasing contacts and encounters, it triggered nationalist reactions on a sub-state, regional or transworld scale.[85]

Beside this perpetuation and diversification of national bonds, another way in which the pluralisation of identities occurred during contemporary globalization is through the increase in non-territorial affiliations, particularly on lines of faith, class, gender, race and the like. These kinds of affiliation have actually always existed (suffice it to consider how relevant world religions have always been), but the accelerated globalization of the last few decades has integrated them in networks of solidarity and struggle like never before.[86] For example, identification with humanity as a whole,[87] albeit modest, has spread to an unprecedented extent by comparison with previous eras, increasing environmental and humanitarian concerns and operations worldwide. Anyways, the most interesting aspect to analyse for the purpose of the present work is the way in which globalization has influenced religious identities and their assertion. Accelerated globalization has doubtlessly increased opportunities for greater direct contact among coreligionists; at the same time, though, assertions of religious identities have emerged as a defensive reaction against globalization, especially in all the cases in which globalization has been equated with oppression, westernisation and/or Americanisation.[88] However, claims that such reactions are enough to justify a "clash of civilisations"[89] should be rejected as simplistic, since they fail to consider that religions are all but monolithic, and that other kinds of identity frameworks, like nationality and class, are of great significance.

In other words, it is clear that, in certain respects, globalization has weakened state-nations by compromising their control of nation construction and group solidarity, facilitating the emergence of alternative frameworks of identity, both national and non-territorial. Privatisation under neoliberal globalization, for example, reduced state ownership and operation of communication networks and welfare provision, thus facilitating the rise of alternative lines of group solidarity. This argument will later be analysed more into detail to show how neoliberal globalization contributed, at least in part, to the rise of cultural nationalism and religious fundamentalism.

[83] It is the case of the Basque, Catalan or Scottish striving for autonomy, cf. A.D. Smith, *Nations and Nationalism in a Global Era*, op. cit., p. 52.
[84] B. Anderson, *Long-Distance Nationalism: World Capitalism and the Rise of Identity Politics*, Centre for Asian Studies, Amsterdam 1992; R. Cohen, *Global Diasporas: An Introduction*, UCL Press, London 1997.
[85] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 237.
[86] *Ibid*., p. 240.
[87] A. Giddens, *Modernity and Self-Identity: Self and Society in the Late Modern Age,* Polity Press, Cambridge 1991, p. 27.
[88] R. Redaelli, *Il fondamentalismo islamico*, Giunti Editore, 2003, p. 15.
[89] S. P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster, New York 1996.

In conclusion, and as it has already been mentioned, the result of the pluralisation of identities is increased hybridisation.[90] Thus, while transworld solidarity can be built on the basis of various types of being and belonging, national, religious, class or gender identity frameworks can conflict with each other, undermining the viability of communitarian approaches to build social cohesion in a more global and less territorialist or nationalist world.[91] The paradox is blatant: while governance is becoming increasingly more multilevel and spatially dispersed, identity, loyalty and representation remain rooted in ethnic, regional and national communities.[92]

Globalization and knowledge: rationalism and alternative forms of knowledge construction

The structure of knowledge that imposed itself ever since the modern era, rationalism, has been of the utmost importance for the creation of global social spaces, especially by virtue of its attributes of secularism, anthropocentrism, scientism and instrumentalism.[93] These characteristics, in fact, contributed to the social construction of the world as the home of mankind as a whole, with emphasis on its planetary dimension; furthermore, rationalism is behind the conception of science as the source of objective truths with transplanetary validity and the prevalence of efficiency arguments instead of "irrational" territorial divisions. Indeed, rationalism has represented fertile ground for regulatory frameworks, capitalist production and claims that territorial distance and borders should be overcome to achieve the most efficient and productive division of labour worldwide, which are all factors that promoted the growth of transworld relations.

In turn, and although modern rationality still represents the prevailing structure of knowledge, accelerated globalization has somehow challenged it by facilitating the emergence of non-rationalists forms of knowledge, such as ecocentrism, postmodernism and religious revivalism,[94] which is the most intriguing aspect for the purpose of the present work. Religious fundamentalism, the striving to regain original, pre-modern, essential truth, is not a solely contemporary phenomenon and has interested all major world religions.[95] Contemporary accelerated globalization has encouraged such anti-rationalist revivalism in several ways: first of all, it has triggered defensive reactions against "encroachments by global forces on established cultures and livelihoods"[96] and against the secular character of modern rationality of the major world powers, through whose lenses the world is to be seen and interpreted; furthermore, globalization has, in various cases, fostered anti-rationalist and religious revivalism as a new form of social solidarity following the exhaustion of traditional political alternatives such as socialism and, in the case of the Arab world, Panarabism. Global relations and connections have also been exploited

[90] J. Nederveen Pieterse, 'Globalization as Hybridization', in M. Featherstone *et al.* (eds.), *Global Modernities*, Sage, London 1995, pp. 45–68.
[91] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 252-253.
[92] W. Wallace, 'The sharing of sovereignty: the European paradox', *Political Studies* 47(3), 1999.
[93] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 149-152.
[94] *Ibid*., pp. 256 ff.
[95] G. Kepel, *The Revenge of God: the Resurgence of Islam, Christianity and Judaism in the Modern World*, Polity Press, Cambridge 1994.
[96] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 260.

by religious fundamentalists to advance their causes, as is the case of terrorist movements such as al-Qaeda and ISIS and their use of the media as a tool of propaganda and recruitment.[97] Somehow provocatively, it might be argued that this same category, that of dogmatic beliefs, might even include neoliberalism itself as it deceivingly claims, for instance, that austerity reduces public debt and creates the foundation for a rise in GDP.[98]

These developments do not imply, however, that rationalism is to be dismissed as the dominant epistemology. Still – to anticipate one of the arguments of the present work – the increase of non-rationalist forms of knowledge such as religious fundamentalism, the reliance on conspiracy theories, and the inability to consider history without religious predestination and nationalist teleology[99] (that is, the tendency to explain phenomena by the purpose they serve rather than by postulated causes) prevent the victims of contemporary (neoliberal) globalization to overcome the widespread feeling of humiliation[100] that has its origin in a long-term historical process.

THE IMPACT OF CHANGE AND CONTINUITY: AN EVALUATION OF GLOBALIZATION

Having defined and explained contemporary globalization as a process of respatialisation and as a complex interaction of change and continuity, this section presents a brief evaluation of the impact of these developments on security, equality, and democracy. Undoubtedly, contemporary globalization has wielded both positive and negative outcomes. There exists, however, a main division between, on the one hand, those who argue that globalization is reducing poverty and making increased wealth more accessible to everyone, and those, on the other hand, who claim that it is rather creating a more unequal and impoverished world.[101]

The first claim is especially that of neoliberals, who acknowledge the existence of economic and moral limits to the pursuit of global equality, and thus accept the "natural" inequalities that derive from the functioning of global markets, since intervention to redress the consequences of uneven economic globalization would entail an unacceptable sacrifice of liberty and economic efficiency. In his already mentioned *The Road to Serfdom*, for instance, Hayek maintained that government planning, by crushing individualism and personal liberty, would lead inexorably to totalitarian control. Because government planning's success depends on the extent to which it creates power over individuals (i.e. the extent to which their freedom is suppressed), democracy should be the only guarantee against this crush of personal liberty required by the centralized direction of economic activity.[102] And yet, neoliberalism considers unlimited democracy the worst kind of government to protect individual liberties: in fact, democracy can (and should) even be reduced in order to pursue the freedom of the market and to protect

[97] P. Seib, D. M. Janbek, *Global Terrorism and New Media: The Post-Al Qaeda Generation*, Routledge, London & New York 2011.
[98] See the already mentioned M. Blyth, *Austerity. The History of a Dangerous Idea*, op. cit.
[99] S. Kassir, *Considérations sur le Malheur Arabe*, op. cit., pp. 44, 51.
[100] D. Moïsi, *The Geopolitics of Emotion*, op. cit., pp. 60 ff.
[101] D. Held, A. McGrew (eds.), *The Global Transformations Reader*, op. cit., pp. 421-422.
[102] The condensed version of *The Road to Serfdom* by F. A. Hayek, op. cit., p. 40.

individual freedom. As Hayek remarked on a visit to Pinochet's Chile – one of the first nations in which the neoliberal programme was applied – "my personal preference leans toward a liberal dictatorship rather than toward a democratic government devoid of liberalism". [103]

Moreover, inequality is considered by neoliberals as a transitional condition that can be overcome and replaced by a more stable and peaceful world order thanks to market-led globalization.[104] Evidence of increasing global poverty and inequality is, in the first place, often disputed by neoliberals, since standards of living have improved compared to fifty or a hundred years ago. It is argued that inequality and poverty, where they are still observable, are not related to neoliberal globalization; they are, on the contrary, endemic amongst the least globalised economies, so integration into the world economy is the actual key to poverty reduction.[105] To be sure, the fact that increased economic integration can contribute to the reduction of poverty is also agreed upon by several opponents – including Marxist critics - of that specific form of economic integration that has been defined as neoliberal globalization.

On the other hand, several statements have linked market-led globalization to inequality, such as the 1999 UNDP's Human Development Report, which points to the increase in the number of people living in absolute poverty and in the gap between the richest and the poorest in the world. More radical conceptions have gone as far as to regard contemporary economic globalization as a new form of Western imperialism, insofar as internationalisation and regionalisation have not enhanced the position of most developing countries during the last century.[106] Accordingly, it has been pointed out that 50 percent of the world's population and two-thirds of its governments are bound by the IMF and World Bank discipline.[107]

As anticipated, however, contemporary respatialisation has engendered both costs and benefits, which can be assessed particularly around three themes, three normative concerns: (in)security, (in)equality, and (un)democracy. [108] Without denying the benefits of globalization, the following paragraphs will place more emphasis on its shortcomings, insofar as the explanation of the reactions against contemporary (neoliberal) zis the main purpose of this research. Here, indeed, and similarly to other critical works, the drawbacks of this respatialisation are seen as avoidable, the problem being not in globality as such but in the policy approaches adopted towards it.

Firstly, and far from being the only factor to consider, contemporary globalization has had important repercussions on various aspects of human (in)security. On the one hand, increased trans-world connectivity has fostered peace and security by reducing incentives to warfare, increasing possibilities of arms control and conflict management, combating crime on a world scale, and increasing global

[103] For a striking reportage of the making of "a laboratory for cutting-edge free-market experiments" in the Southern Cone see N. Klein, *The shock doctrine*. *The rise of disaster capitalism*, Metropolitan Books, New York 2007, pp. 59-115.
[104] See for instance M. Howard, *War and the Liberal Conscience*, Oxford University Press, Oxford 1981; J. Mueller, *Retreat from Doomsday: The Obsolescence of Major War*, Basic Books, New York 1989; B. Russett, *Grasping the Democratic Peace: Principles for a Post-Cold War World*, Princeton University Press, Princeton 1993.
[105] R. Wade, M. Wolf, 'Prospect Debate, Robert Wade and Martin Wolf: Are Global Poverty and Inequality Getting Worse?' from *Prospect*, March 2002.
[106] D. Gordon, 'The global economy: new edifice or crumbling foundations?', in *New Left Review* 168, 1988.
[107] U. Pieper, L. Taylor, 'The revival of the liberal creed: the IMF, the World Bank and inequality in a globalized economy', in D. Baker, G. Epstein and R. Podin (eds.), *Globalization and Progressive Economic Policy*, Cambridge University Press, Cambridge 1998.
[108] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., Chapters 9-11.

consciousness on health, environment and human rights, also by virtue of suprastate and substate governance mechanisms and the action of global NGOs. On the other hand, global relations, connections and technologies have, among other things, fuelled violence connected to nationalist and religious revivalist considerations; expanded the organisational capacities of criminal and terrorist groups; triggered, through a neoliberal economic restructuring, financial crises and insecurities that put downward pressures on environmental and working conditions standards, especially in developing countries and in the most vulnerable circles.

The resulting, dramatic decrease in social cohesion is linked to the much debated relationship between globalization and (in)equality. The point, in this case, is not to hold globalization responsible for social stratifications by class, country, race, faith, urban-rural divides, age, disability or gender (which are much older than contemporary transworld connections), but to assess whether and to what extent globalization has affected these divisions. It is always worth to point out that inequality is not inherent to globalization, but to the political approaches adopted towards it. While generally increasing prosperity and reducing certain social hierarchies (by facilitating, for instance, the growth of global social bonds and NGOs provisions of social services), in other respects globalization on neoliberal lines has in fact shown a tendency to reinforce arbitrary hierarchies of opportunity within and between countries in terms of income disparities, restricted social mobility, educational opportunities, access to healthcare and so on, impacting more heavily on the already disadvantaged and thus deepening their subordination.

In this context, various scholars have identified three related patterns: the creation of wealth for some at the expense of growing poverty for others as a result of economic globalization; the growing marginalisation of these "losers" from the global economy; and the erosion of social solidarity within countries resulting from the welfare's inability or the governments' unwillingness to protect the most vulnerable circles.[109]

An example of how contemporary globalization has widened class gaps and North-South differentials[110] is related to access to global spaces and relations (the so-called "digital divide"), but also access to markets and capital.[111] According to the UNCTAD *Least Developed Countries 1999 Report*, "although [the 48] LDCs constituted about 10 per cent of the world's population in 1997, their share in world imports was only 0.6 per cent and in world exports a minuscule 0.4 per cent. These shares represent declines of more than 40 per cent since 1980 and are a testimony to the increasing marginalization of LDCs.[112] Poor countries also have worse access to external sources of capital today than before the First

[109] R. Lawrence, *Single World, Divided Nations? International Trade and OECD Labor Markets*, Brookings Institution, Washington DC 1996; M. Castells, *The Power of Identity*, Blackwell, Oxford 1997; P. Dicken, *Global Shift*, Paul Chapman, London 1998.

[110] However, categories such as North, South, East, and West necessarily involve simplification, while reality is much more complex; welfare disparities, for example, do not only exist between countries but also within them: "poor people arguably form something of a 'South' within the North, and élites could be said to constitute a 'North' within the South and the East." (J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 326).

[111] A. Hoogvelt, *Globalization and the Postcolonial World: The New Political Economy of Development*, Macmillan, London 1997; P. Hirst, G. Thompson, *Globalization in Question*, Polity Press, Cambridge 1999.

[112] UNCTAD, *Least Developed Countries 1999 Report*, United Nations Conference on Trade and Development, Geneva 2000, p. vii.

World War, a situation which has eloquently been defined by Osterhammel as a *de*globalization of international finance for the XX century:

> In 1913–14, of all foreign investment around the world [...], no less than 42 percent was placed in Latin America, Asia, and Africa. In 2001 the corresponding total was only 18 percent. The share of Latin America had plummeted from 20 percent to 5 percent and that of Africa from 10 percent to 1 percent, while Asia had remained steady at the 1913–14 level of 12 percent. [...] The good news is that political colonialism has been defeated; the bad is that economic development has become very difficult to achieve without the participation of foreign capital.[113]

Further arbitrary power relations between countries have emerged in the realm of money: European, Japanese and especially US currencies have in fact dominated global transactions, and their completely arbitrary power has granted enormous privileges to those countries.[114]

Another way in which contemporary globalization has challenged the balancing of life chances is the reform of the redistributive state and the social contract. Within countries, government intervention in various Keynesian and socialist economies to redirect surplus to the more disadvantaged circles was in fact replaced by the neoliberal morals of individualism, competition and responsibility, to be realised through liberalisation, deregulation and fiscal austerity. Analogous pressures have originated at the suprastate level, as global economic institutions such as the IMF and the World Bank have promoted structural adjustment programmes since the 1980s to spread the same kind of neoliberal policies, neutralising any attempt by developing countries' governments, social movements and trade unions to promote development and oppose neoliberal globalization and the growing socioeconomic gaps it entails. To be sure, certain statist approaches opposed by neoliberalism such as State ownership, government subsidies and trade barriers have frequently encouraged inefficiencies, corruption and greater class inequality in the global South. That said, the complete withdrawal of the State from the management of resources advocated by neoliberalism does not necessarily improve the situation, nor does it enhance equality. Many critical voices were in fact raised against neoliberalism and its bias towards capital and against labour, mainly because of the rising inequality in the distribution of income and resources, the widening disparity in earnings of skilled and unskilled workers, and the sacrifice of social and political rights in the interests of economic competitiveness.[115]

Further inequalities in North-South relations have been triggered by the way in which the global finance regime works. In this case, too, the priority accorded to liberalisation rather than equity leaves the allocation of global loans to "market forces"; as a consequence, "credit goes disproportionately to borrowers with the greatest means to repay. Moreover, in the market higher credit risks attract higher

[113] J. Osterhammel, *The Transformation of the World. A Global History of the Nineteenth Century*, op. cit., p. 740.
[114] B. Eichengreen, *Exorbitant Privilege. The Rise and Fall of the Dollar and the Future of the International Monetary System*, Oxford University Press, New York 2011.
[115] Irfan ul Haque, *Globalization, Neoliberalism And Labour*, UNCTAD Discussion Papers, No. 173, July 2004, pp. 5-6.

borrowing costs, so that the countries most in need of funds have tended to pay the highest charges."[116] A most striking example is the IMF approach to resolve the debt crisis of the 1980s by structurally adjusting the flaws of domestic laws and institutions of the indebted countries and dumping on them the costs of recovery in spite of the responsibilities of global banks and investment companies.[117]

In sum, then, "classes, countries, sexes, races, urban/rural districts, generations and (dis)abled persons have had structurally unequal opportunities to shape the course of globalization, to share in its benefits, and to mitigate or avoid its pains";[118] that, however, is not so much due to the changed geography, but to the shift started in the 1970s from welfarism to neoliberalism. Contemporary accelerated globalization has, indeed, manifested itself as "a breathtaking globalization of prosperity side by side with a depressing globalization of poverty";[119] lately, it has also been portrayed as a new form of Western imperialism and oppression against which various groups and associations have also reacted on lines of cultural and religious solidarity.

Finally, structural inequalities related to countries, classes, culture, gender and so on also play a role in shaping the relation between globalization and (un)democracy: the most subordinated countries, cultures and social circles, in fact, are often marginalised and have fewer chances to join decision-taking concerning globalization, in spite of the role of some civil society initiatives aiming at rebalancing established structural hierarchies. Widespread feelings that people have no say or control over the governance of globalization can also be explained by the obsolescence of the concept of liberal democracy, which is connected to the nation-state, in an increasingly more global and polycentric world;[120] in other words, increased supraterritoriality contributed to the inadequacy of traditional practices of liberal democracy precisely because of their emphasis on self-determination by means of a territorial state. In this sense, generalisations according to which globalization has advanced democracy through the state are not completely accurate. Very often, in fact, newly installed liberal and democratic practices such as multiparty elections and "independent" media have only worked superficially or have been used as tools of élite privilege, leading to a situation defined by Fareed Zakaria as "illiberal democracy".[121] In addition, the temptation to universalise and impose liberal constructions of democracy across the world needs to be firmly resisted, as those constructions might not be appropriate everywhere: in the Arab region, for example, multiparty legislative elections have made little progress – although instead of relying on essentialist claims that Arabs reject democracy because of cultural or religious considerations, it is necessary to take local historical, socio-economic and political circumstances into account. State-based democracy also proves its inadequacy in a global world because it does not provide a satisfactory

[116] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 332-333.
[117] R. E. Wood, *From Marshall Plan to Debt Crisis. Foreign Aid and Development Choices in the World Economy*, University of California Press, 1986, chapter 7 pp. 270 ff.
[118] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., p. 344.
[119] HDR, *Human Development Report 1994*, Oxford University Press, New York p. 1.
[120] A. McGrew, 'Globalization and Territorial Democracy: An Introduction', in A. McGrew (ed.), *The Transformation of Democracy? Globalization and Territorial Democracy,* op. cit., p. 12.
[121] F. Zakaria, 'The Rise of Illiberal Democracy', *Foreign Affairs*, vol. 76, no. 6 (November/December 1997), pp. 22–43.

framework of democratic involvement for collectivities other that nation-states such as women, sexual minorities and religious groups worldwide.

Democratic deficit in the era of contemporary accelerated globalization is also connected to the failure of public education, the media, civil society and governance agencies to raise the citizens' awareness of the polycentric character of today's governance and to promote their participation in questions of global policy. Without information and analytical tools, in fact, democratic engagement, involvement and control are compromised, and structural inequalities exacerbated.[122] Consequently, the often repressive regulation of transworld relations has met with resistance, not so much against globalization tout-court as proponents of contemporary neoliberal globalization claim, but rather as a kind of resistance driven by frustration for exclusion and the lack of democratic politics in global governance mechanisms.

Having discussed the concept of globalization, its historical course, its causes and its consequences, the chapter now goes deeper into the relationship between globalization and inequality, and more precisely into the effects that neoliberal - or IMF-driven - globalization has had on the so-called Third World and its project.

II - NEOLIBERAL GLOBALIZATION, THIRD WORLD AND CULTURAL NATIONALISM

It is clear, following the considerations made in the previous pages, that globalization is a fundamental element in a restructuring of capitalism that has had dramatic consequences for the normative concerns that have just been analysed, especially that of (in)equality, and especially for what has been defined as the Third World. An idea which moved millions and created heroes, the Third World "was not a place. It was a project", the main reference of the "darker nations", as Vijay Prashad defined them, which were not part of the two major Cold War formations. At the UN, at the Afro-Asian meetings in Bandung and Cairo, and with the creation of the Non-Aligned Movement in Belgrade and the Tricontinental Conference in Havana, the Third World advanced demands for dignity, political equality, a redistribution of resources and acknowledgement of their peoples' labour power and of the heritage of science, technology and culture.[123]

In spite of heated claims of unity and common struggle, the Third World project was first weakened by built-in flaws and then assassinated by external circumstances and interventions. On the one hand, in fact, people experienced disillusionment because the promise of socialism was not delivered. What they obtained was, instead, "a compromise ideology called Arab Socialism, African Socialism, Sarvodaya, or NASAKOM that combined the promise of equality with the maintenance of social hierarchy".[124] The purportedly new nations protected the elites and maintained the old social classes through the power exerted either by the military or the people's party, and the people's demands for bread

[122] J. A. Scholte, *Globalization. A Critical Introduction*, op. cit., pp. 355 ff.
[123] V. Prashad, *The Darker Nations*, op. cit., intro pp. xv-xvii.
[124] *Ibid*., p. xvii.

and peace ended up being neglected. At the same time, by the 1970s much of the Third World experienced budgetary crises that had spread as a result of the failure to control the prices of primary commodities and to resist the pressures of financial capital. Borrowing from commercial banks thus became necessary, but it was made conditional to the implementation of structural adjustment programmes designed by the IMF and the World Bank – which is why Prashad insists on the concept of "IMF-driven globalization".[125]

The rest of this chapter thus goes deeper into the reasons of the Third World project's failure: on the one hand, the pitfalls of the "darker nations" themselves and, on the other, the deliberate assassination of their project through the institutions and mechanisms of neoliberal globalization. Its failure, in fact, is not only imputable to external conspiracies or autochthon shortcomings: responsibilities for the wreckage of the Third World project are shared.

In this framework, the concept of cultural nationalism will also be introduced, and an attempt will be made to elucidate its relationship with neoliberal globalization. More specifically, it will be argued that religious fundamentalism, race and unreconstructed forms of class power have filled the void left by the lack of alternatives to socialism and pan-nationalisms. Hence, cultural nationalism and IMF-driven globalization have tended to reinforce one another, with dramatic consequences on the powerless' ability to hold a dialogue with the powerful and articulate an agenda for development, peace, and freedom.

BUILT-IN FLAWS AND WEAKNESSES

At the 1966 Tricontinental Conference in Havana, Amílcar Cabral, founder of the PAIGC (African Party for the Independence of Guinea and Cape Verde) said:

> One form of struggle which we consider to be fundamental has not been explicitly mentioned in this program, although we are certain that it was present in the minds of those who drew up the program. We refer here to the struggle against our own weaknesses. [...] This battle is the expression of the internal contradictions in the economic, social, cultural (and therefore historical) reality of each of our countries. We are convinced that any national or social revolution which is not based on knowledge of this fundamental reality runs grave risk of being condemned to failure.[126]

Cabral's intervention was indeed far-sighted, as Third World countries failed to address their own internal weaknesses at the gatherings that followed. This, in combination with the unfolding of IMF-driven globalization and the asymmetry of its mechanisms, led to the corrosion of the Third World project and of its imagined community, and eventually to its dismissal.

One of the greatest flaws of the national liberation project was the development of authoritarian states that, after deriving their strength from popular mobilisation, assumed that power could be

[125] *Ibid*., p. xviii.
[126] A. Cabral, 'The Weapon of Theory', in *Revolution in Guinea*, trans. Richard Handyside, Monthly Review Press, New York 1972, pp. 91-92.

centralised in the state, that the national liberation party would exert that power, create change bureaucratically and dominate the state, and that the people had to be demobilised and excluded from decision making in the construction of a national society, economy, and culture.[127] The socialisation of production without a parallel socialisation of decision making, that is, the lack of socialised democracy,[128] is what led Algerian peasants, for instance, back to their old ways and values. As a result of the division created by the FNL between the people and the party, new mosques were built and the influence of traditional authorities such as Imams, village chiefs and elders increased,[129] and this created the precondition for personalities such as Hashemi Tidjani, leader of *al-Qiyam* (values), to shape the social basis for the Islamic revival of the 1980s.[130]

The lack of socialised democracy also made states vulnerable to the reaction of the old social classes opposed to the Third World project precisely because of the demobilisation of the people and the scarce knowledge of the states' social fabric. An example is the parasitic relation between the state and the bourgeoisie, merchants and petty industrialists that characterised most of the Third World – apart from some exceptions such as India –and that exerted such a strong pressure on national liberation parties that ultimately prevented the implementation of institutional reform and social development. The mercantile and industrial classes' position, in fact, had been strengthened by the national liberation agenda: while import-substitution strategies had, to a certain extent, facilitated social development projects, they mostly protected the interests of merchants and industrialists, who were not committed to the Third World agenda.[131]

The lack of socialized democracy can similarly be observed in the implementation of socialism "in a hurry" and "from above",[132] in the absence of mass support. As Prashad pointed out, since many Third World agricultural strategies - such as those of Tanzania – were realized in a hurry and based on the assumption that peasants should simply follow rather than participate in the development of society and the economy, policies which might have actually enhanced development saw their intrinsic value corroded by commandism, bureaucratism and their imposition with the use of force.[133] In Tanzania, for instance, Nyerere's aim to "reach the village"[134] led to the resettlement of a staggering one fifth of the population.[135]

To be sure, the intentions of most Third World states were not malevolent: turning to the "one-party state" was functional to the idea that the struggle had united the people against imperialism, while

[127] V. Prashad, *The Darker* Nations, op. cit., pp. 122-123.
[128] As Fanon wrote, "instead of being the all embracing crystallization of the innermost hopes of the whole people, instead of being the immediate and most obvious result of the mobilization of the people, [national liberation] will be in any case only an empty shell, a crude and fragile travesty of what it might have been." F. Fanon, *The Wretched of the Earth*, op. cit., p. 148.
[129] D. and M. Ottaway, *Algeria: The Politics of a Socialist Revolution*, University of California Press, Berkeley 1970, p. 41.
[130] A. R. Derradji, *A Concise History of Political Violence in Algeria, 1954-2000: Brothers in Faith, Enemies in Arms*, Mellen Press, Lewiston 2002.
[131] V. Prashad, *The Darker Nations*, op. cit., p. 127.
[132] *Ibid*., p. 194.
[133] *Ibid*., pp. 197-198.
[134] Quoted in S. Dryden, *Local Administration in Tanzania*, East African Publishing House, Nairobi 1968, p. 42.
[135] World Bank Environment Department, *Resettlement and Development: The Bankwide Review of Projects Involving Involuntary Resettlement, 1986- 1993*, World Bank, Washington DC 1996.

building factories and dams, clearing forests, and resettling the population were aimed at increasing the productive capacity of the nation; however, doing so without considering the people's desires or creating a democratic governance structure inevitably turned the people away from the Third World project: "When the national liberation state adopted "development" in a bureaucratic manner, it tended to mimic the approach of international agencies like the World Bank rather than the aspirations and hopes of the people who had empowered the new state in the first place."[136]

Feeling left out and not listened to, the masses could either turn away from the nation or turn their anger against the regime, and the latter case very often provided the circumstances for the army's intervention. In 1964 Algeria, for example, strikes on behalf of nationalization and against the limited role of workers in the state paralyzed the country and weakened Ben Bella's position. Shortly after, the army led by Houari Boumedienne arrested Ben Bella and took charge of the state in his place.[137]

It has been estimated that, between the end of the Second World War and the early 1970s, about two hundred coups took place in Africa, Asia and Central and South America.[138] This was mostly due to the popular demobilisation operated by national liberation regimes, which did not pay sufficient attention to dissent and did not support the creation of democratic institutions.[139] In some cases, however, it was the US that intervened against attempts at nationalising production (the 1953 engineered coup in Iran is an early example) and at giving a socialist shape to the relationship between state and society, especially in Latin American countries such as Bolivia, Guatemala, Argentina, and Chile, by providing funds for economic development *and* military assistance.[140]

In this sense, the "military modernisation" theory offered to provide an explanation of the support often shown by the US to military regimes in the Third World. Considering that there exists a connection between economic stagnation and the incidence of violence, the US ended up supporting military coups since "A change brought about through force by non-communist elements [is] preferable to prolonged deterioration of government effectiveness. It is U.S. policy, when it is in the U.S. interest, to make the local military and police advocates of democracy and agents for carrying forward the developmental process."[141] Still, while the promise of military modernisation is the pursuit of development and the sake of the people, more money to the army actually means less resources to be devoted to social inclusion, to agricultural reforms, and to better prices for exported commodities; the institution of the army was not used to create the basis for modern rights, but to extract wealth from the population and rule by fear.[142]

To be sure, while the CIA and US (and, to a lesser extent, the USSR) government played a considerable role in military coups and in the political economy of the Third World, it would be overly generalizing and simplifying to argue that events in these realms have been solely shaped by interventions

[136] V. Prashad, *The Darker Nations*, op. cit., p. 128.
[137] *Ibid*., p. 130.
[138] G. Kennedy, *The Military in the Third World*, Duckworth, London 1974, appendix A.
[139] V. Prashad, *The Darker Nations*, op. cit., p. 140.
[140] W. Blum, *Killing Hope: U.S. Military and CIA Interventions since World War II*, Common Courage Press, Monroe, ME 1995.
[141] G. Kolko, *Confronting the Third World: United States Foreign Policy, 1945-1980*, Pantheon, New York 1988, p. 133.
[142] V. Prashad, *The Darker Nations*, op. cit., p. 141.

from outside. People have a role in the creation of their own history, and to analyse military coups and economic failures one needs to consider, in the words of Prashad,

> the struggles within a society, of the class dynamics, the regional interactions, the history of ethnic strife, and other such relations. Those who act alongside the US military, such as Bolivia's Barrientos or Indonesia's Suharto, are emblems of certain class fragments that have domestic reasons to *use* the U.S. government for their ends. They are not passive and guileless, simply misused by "Western imperialism". The Barrientoses, Mobutus, and Suhartos of the world, and those classes that they defend, are part of the ensemble of imperialism, even if as subcontractors.[143]

Indeed, military intervention is not simply justified by the instability and violence brought about by sudden modernization and rapid mobilization of new social classes into politics, in a context of slow development and lack of political institutions, as intellectuals like Huntington believe;[144] conversely, military coups and military rule are more likely to occur when the political mobilization and participation of new social classes is reduced or suppressed. The lack of socialised democracy, which has often been referred to in this pages, implies that the army can intervene and impose its rule with no need to draw legitimacy from the masses. It is sufficient to claim that the army stands above politics in the name of the nation, similarly to claims by the national liberation party that establishes the one-party state.[145]

Broadly speaking, a distinction can be drawn between two main kinds of military coups: those that are conducted, on the one hand, to reverse the gains of national liberation, to roll back the social reforms in the agenda of the Third World, such as the coup led in 1973 by General Augusto Pinochet, who had the endorsement of the US government and the Chilean oligarchy;[146] and those coups, on the other hand, that are led by the lower ranks in the military against the collusion between the domestic oligarchy and imperialism in countries with no national liberation movement, as in the case of 1952 Egypt or Iraq, Libya and Sudan. These regimes, however, quickly turned into military dictatorships: in Egypt, for instance, Nasser carried out the systematic repression of all of his opponents, from the Muslim Brothers to the Communists, despite claims that the revolution had been "undertaken for the working people, for dissolving differences between classes, for establishing social justice, for the establishment of a healthy democratic life, for abolishing feudalism, for abolishing the monarchy and control of capital over government and for abolishing colonialism."[147]

The repression of the Left is, indeed, another element that characterised several Third World countries, a development made all the more easy by Moscow and Beijing's ambiguous relationship with Communist parties in the Third World, especially for what concerned alliances and the revolution. Ambiguity is due to the fact that, by endorsing the Communist alliance with bourgeois democratic forces and the creation of local varieties of socialism (such as Arab or African socialism), both China and the

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[143] *Ibid*., p. 143.
[144] S. P. Huntington, *Political Order in Changing Societies*, Yale University Press, New Haven, CT 1968, p. 4.
[145] R. First, *The Barrel of a Gun: Political Power in Africa and the Coup d'Etat*, Penguin, London 1970, p. 6.
[146] P. Kornbluh, *The Pinochet File: A Declassified Dossier on Atrocity and Accountability*, The New Press, New York 2003.
[147] From Nasser's first May Day speech (1963), quoted in F. Farag, 'Labour on the Fence', *Al-Ahram*, May 11- 17, 2000.

USSR ended up accepting non-communist regimes that suppressed the local Communist parties while they were attempting at organising across the exploited classes into a movement to change the basis of social production. It was the case of Nasser's Egypt, Qasim's Iraq, Boumedienne's Algeria, Indira Gandhi's India, Ne Win' s Burma, Sekou Toure's Guinea, Ayub Khan's Pakistan, and Modibo Keita's Mali.[148] What gave Moscow and Beijing the chance to support those regimes while turning a blind eye on the repression they carried out is the fact that the leaders had made alliances with or adopted the social programmes of the Communists to reach into their social basis and gain legitimacy, before turning against them. Even with no or little mass support, regimes like that of the Iraqi Baath could be established because of Soviet silence and US backing aimed at reducing the influence of Communism as part of its Cold War strategy.[149]

In the end, countries where the army came to power like Iraq, Sudan and Indonesia remained a part of the Third World and formally continued to support its agenda. The destruction of the Left operated by the military juntas, however, led the most conservative and even reactionary social classes to dominate the political scenario; because of the popular demobilisation operated first by the bureaucratism and commandism of national liberation movements and then by the regimes established with military coups, most "darker nations" developed a tendency to rely on traditional sources of power to win the elections and implement the state's development agenda – or what was claimed to be in the interest of the population. Simultaneously, the dismissal of the Third World's project and the rejection of anti-colonial nationalism led to the resurgence of older forms of association, such as tribal and class loyalties; this also marked a tendency towards an aggressive cultural nationalism based on an artificial vision of tradition, according to which racialism, religion and hierarchy are more authentic representatives of civilisation compared to the "modern", "Western" and "materialist" progressive Left.[150]

The consolidation of military rule and the adoption of a more "European" notion of ethno-nationalism than the previous anti-colonial form were also made possible by war waging and border making, which also encouraged chauvinism.[151] The 1950-62 Sino-Indian conflict, the border wars between India and Pakistan over Kashmir or between Israel and its Arab neighbours, just to mention a few cases, provided in fact the conditions for the post-colonial military to create dictatorships and the context in which leaders and marginal forces of the Right started to imagine the history of the state in ethno-cultural terms rather than anti-imperialist ones. As the importance of dignity was replaced by that of territory, these forces saw their influence increase; in India, for instance, defending the border became equivalent to defending the ancient culture of India. In addition, increased military expenditure across the Third World turned capital away from the means of production towards the means of destruction,

[148] V. Prashad, *The Darker Nations*, op. cit., p. 158.
[149] H. Batatu, *The Old Social Classes and the Revolutionary Movement of Iraq*, Princeton University Press, 1978, p. 903.
[150] V. Prashad, *The Darker Nations*, op. cit., pp. 163-164.
[151] *Ibid*., pp. 167 ff.

precluding social development and annihilating the cooperation that was at the basis of the Third World project. [152]

Another factor that contributed to the diversion of funds away from development is the fact that oil revenues, while potentially able to finance the social democratic dreams of the masses, ended up benefitting the oil companies and the oligarchy. On the one hand, profits of oil did not fund social development because the regimes that ruled over the oil lands decided to protect and cultivate their domestic elites, and consolidate their position as the dominant class. On the other hand, external dynamics and interventions deprived the Third World – especially oil-less countries - of the benefits deriving from oil revenues and added to the drawbacks of failed social development and industrial growth, exacerbating an already severe situation characterized by worsened terms of trade, plummeting prices of raw materials, and lack of economic diversification.

These two claims need to be explained in greater detail. The first refers to the fact that regimes in the oil lands such as Venezuela and Saudi Arabia had a strong bias towards the bureaucratic, managerial and monarchical elites and thus devoted most of the oil rent and a huge amount of foreign investment capital to the expansion of luxury consumption, the reconstruction of urban areas, and the creation of trade and services that could only be enjoyed by the rich rather than increase funds for public education, health, and transport. [153] Even the creation of OPEC ended up disappointing hopes in Third World solidarity: as UNCTAD lacked the funds to buy sufficient quantities of raw materials to regulate their price and ensure stability,[154] that is, to contribute to a system of cartels aiming at ensuring decent prices for Third World commodities, the OPEC nations could have helped create such funds, but they refused to use their profits to contribute to price stabilization and aid to their neighbours.[155] In spite of its political origins, in fact, OPEC eventually became an economic cartel solely concerned with fighting to defend oil prices. Such lack of solidarity can be especially seen in the fact that in the 1970s, instead of agreeing to differential prices for the different nations of the world, OPEC maintained its price for oil and forced Third World countries that did not have access to that commodity to divert the funds available towards the purchase of this increasingly indispensable source of energy.[156]

The second point made here is that the involvement of external actors shaped the conditions that prevented Third World populations to benefit from oil revenues. First of all, the issue was not so much the availability of oil but the ability to control its extraction, transportation, refinement and sale; this requires an enormous capital outlay that was mostly available to seven major conglomerates of corporations, the so-called Seven Sisters: Exxon (or Esso), Shell, BP, Gulf, Texaco, Mobil, and Socal (or Chevron).[157] By 1950, these seven firms "controlled 85 percent of the crude oil production in the world

[152] On the negative effect of military expenditure in the former colonies see J. Brauer and J. Paul Dunne (eds.), *Arming the South: The Economies of Military Expenditure, Arms Production, and Arms Trade in Developing Countries*, Palgrave, New York 2002.
[153] V. Prashad, *The Darker Nations*, op. cit., pp. 177-178.
[154] J. Behrman, 'The UNCTAD Integrated Commodity Program: An Evaluation' in F. G. Adams and S. Klein (eds.), *Stabilizing World Commodity Markets: Analysis, Practice, and Policy*, Lexington-Heath, 1978.
[155] I. F.I. Shihata, *The Other Face of OPEC: Financial Assistance to the Third World*, Longman, London 1982.
[156] V. Prashad, *The Darker Nations*, op. cit., p. 187.
[157] A. Sampson, *The Seven Sisters: The Great Oil Companies and the World They Made*, Viking, New York 1975.

outside Canada, China, the USSR, and the United States, and these firms acted together as a cartel of private companies to ensure that they not only got the best prices for crude oil but also controlled the entire oil market."[158] In spite of its efforts, OPEC remained virtually powerless in front of the Seven Sisters. Even the nationalization of oil fields or refineries carried out by Venezuela, for instance, did not undermine their power, because those firms continued to enjoy the profits of the industry while transferring on the state the burden of extraction and of bargaining on two sides at the same time: with workers asking higher wages, and with the Seven Sisters asking lower prices.[159]

To be sure, these power relations were also shaped by the fact that the regimes that came to power preferred to maintain good relations with the oil cartel rather than pursue social development; the same also happened in the realm of agriculture with the dismissal of land reforms, the turn towards food security with the adoption of the so-called "Green Revolution", and the colonization of state land "to bail out large estate owners in economic difficulties by buying their lands for resettlement."[160] Although the new agrarian solutions made productivity skyrocket, the use of high-yield seeds and chemical additives had severe consequences for both the environment and social justice, as transnational chemical firms charged high prices for the fertilizers, while agribusinesses enjoyed the rents on the high-yield seeds.[161] Not only had the costs for small farmers risen to an unbearable level, but dismissing a reform of rural social relations had also deprived them of control over the main means of production (land, water, and credit) and transformed several Third World countries in net importers of food grains.

Another common problem for Third World countries was the fact that they had been created as one-commodity producers or had developed into one-crop countries. According to UNCTAD, by the 1980s of the 115 developing countries at least half of them was still dependent on one commodity for over 50 percent of their export revenues.[162] The lack of economic diversification made former colonies extremely weak in front of private corporate cartels that controlled international prices and kept them low. A vicious circle ensued: because of the low level of capital available, the regimes tries to strengthen their leading sectors and thus to rely on the single colonial crop which, however, brought only very modest returns. This implied scarce bargaining power in First World markets and with private cartels, which enjoyed concessions that made regimes lose control over production. In other words, the desperate need for capital infusions had led Third World countries to give up part of their sovereignty over resources and labour. Over time, reduced sovereignty and worsening terms of trade, that is, the declining price of those raw materials, meant that the Third World would never be able to fund social development and industrial growth.

Among the attempts at regaining sovereignty was, it has been said, the creation of OPEC, but even its most efficient show of force, the 1973 oil shock, had a small impact on the Third World's ability

[158] V. Prashad, *The Darker Nations*, op. cit., p. 178.
[159] *Ibid*., pp. 185-187.
[160] S. L. Barraclough, *The Legacy of Latin American Land Reform*, NACLA Report on the Americas 28, no. 3 (Nov-Dec 1994), p. 19.
[161] A. Pearse, *Seeds of Plenty, Seeds of Want: Social and Economic Implications of the Green Revolution*, Clarendon, Oxford 1980.
[162] UNCTAD, *Handbook of International Trade and Development Statistics*, United Nations, Geneva 1984, table 4.3D.

to take advantage of that unity. It was the US, instead, that seized the opportunity to display its power and gain from the situation. In spite of struggles to regain unconditioned power over the global economy after the 1971 "temporary" suspension of the dollar's convertibility into gold, the US Administration benefitted from the rise in the oil price on two fronts: firstly, it exerted pressure on its main economic competitors, Western Europe and Japan; secondly, it created an enormous amount of petro-profits (held almost exclusively in dollars) that could be recycled into US financial institutions since the oil lands – and the Gulf states in particular – did not have the productive capacity to absorb those profits. This prevented the dollar to be depreciated, facilitated the stabilisation of the US economy,[163] and benefitted the major transnational firms that did business in dollars. Therefore, in spite of OPEC's efforts, the imperialist structure of the global economy remained unchallenged.

On the one hand, in conclusion, Third World nations failed to reorganize social relations, support political mobilization, and disrupt the colonial structure that had survived after their independence; instead, they made alliances with the traditional and most conservative social classes, and privileged socialised *distribution and consumption* rather than a socialised *production* that could have created the conditions for the emancipation of all social strata. On the other hand, and while the Third World project might have outlived its own shortcomings by virtue of its potential, from the 1970s onwards external circumstances such as a debt crisis and a policy of global reorganization orchestrated by the First World have, in Prashad's words, "assassinated the Third World".[164]

THE THIRD WORLD UNDER ATTACK

The adoption of neoliberal globalization and its effects have to be understood in the light of power relations, and not considering solely the pitfalls, specific to the "darker nations", described in the previous paragraphs. First, of all, one needs to consider that Third World countries were less homogeneous than excessive simplification might suggest, and had different postures towards alignment with one superpower or the other. In addition, as the USSR started its withdrawal, the Atlantic powers and especially the US became more assertive and came to a leadership position both militarily and economically, particularly by ending the dollar's convertibility into gold, letting currencies float against one another and thus giving the US unprecedented economic leverage as the financial elites pledged to protect its currency (in which they held their reserves). Before 1971, in fact, the existence of fixed exchange rates had protected currencies from short-term monetary fluctuations, and countries could also actively regulate international capital flows. The end of the Bretton Woods system deprived (Keynesian) states of these policy instruments to control cross-border capital transactions, pushing governments to

[163] D. E. Spiro, *The Hidden Hand of American Hegemony. Petrodollar recycling and International Markets*, Cornell University Press, Ithaca, NY 1999, Chapter 5; see also P. Gowan, *The Global Gamble: Washington's Faustian Bid for World Dominance*, op. cit., pp. 21-22; Gowan's statements might be deemed at times extreme, but they always contain a kernel of truth.
[164] V. Prashad, *The Darker Nations*, op. cit., Part 3 pp. 207 ff.

open to increased international capital flows.[165] At the same time, interconnectedness, decreased dependence on territoriality for multinational corporations, and the search for new possibilities of growth and profit had led TNCs to look for cheaper inputs (such as raw materials and labour) and new markets on a global scale, also taking advantage of "the relationship of forces changed by the crisis and of the potential of new technologies that had never before been introduced on a large scale. This was most visible in the revolution that took place in the financial sector", the globalization of financial markets.[166] Therefore, it becomes clear that

> the economic suffocation of the darker nations came not only from abstract economic principles but crucially because these principles had been set up through the political intervention of powerful actors. The rules of international trade, for instance, were not simply those of an a priori economic theory but were devised by the powerful to suit their interests.[167]

To sum up, the welcoming of "IMF-driven globalization" and the ensuing "assassination" of the Third World resulted, on the one hand, from the actions of forces within the Third World itself and, on the other hand, from finance capital and imperialist pressures, particularly the increase in commercial lending, a transfer of debt from the global South to the industrialised countries, and the imposition of structural adjustment reforms in exchange for capital during the debt crisis.

The first assertion refers to the fact that, between the 1970s and the 1980s, a camp had risen among the non-aligned countries that welcomed neoliberal growth and urged them to revoke state-centred development as the only way to overcome the "systematic crisis" created by economic stagnation and super power détente.[168] This standpoint was especially that of the Singaporean deputy prime minister Sinnathamby Rajaratnam, with whom Castro had a substantial disagreement. At the 1983 NAM summit conference, held in Delhi, Rajaratnam represented in fact an anti-Soviet, pro-US position, speaking for the slightly better-off states among the "darker nations", such as India, Brazil, and the "Asian Tigers", and for the industrial, agricultural, and financial élites who had benefitted from import-substitution policies and whose accumulation had given them enough confidence to exert their own class interests over the needs of the population. In addition, as Prashad points out, the members of those classes were young enough to have experienced neither colonialism nor anti-colonialism, besides having ties with international institutions such as the IMF and the World Bank.[169]

The fact that the "East Asian Miracle" had extremely fragile foundations[170] did not dissuade the dominant classes from pursuing their consumerist dream as an alternative to the Third World's

[165] R. Went, *Globalization. Neoliberal Challenge, Radical Responses*, Pluto Press, London 2000, pp. 91-92.
[166] *Ibid*., p. 93.
[167] V. Prashad, *The Darker Nations*, op. cit., p. 213.
[168] S. Rajaratnam, Speech at the 34th Session of the United Nations General Assembly on 24th September 1979, quoted in V. Prashad, *The Darker Nations*, op. cit., p. 211.
[169] V. Prashad, *The Darker Nations*, op. cit., p. 212.
[170] Vulnerability was created in Asia by liberalisation of both trade and finance in the presence of an unreformed bank-based financial system which relied on implicit promises of government bailouts in the event of a crisis. Vulnerability was also due to liberalisation in the presence of a pegged exchange rate regime which relied on another implicit promise, that the exchange rate

developmental agenda; in addition, since the Asian Tigers' take-off occurred while the debt crisis was ravaging the rest of the Third World, it was easier for countries like Singapore to present development as a purely technical problem which should not be entangled in power issues, and thus to discredit the idea of the need for anti-imperialist cooperation.[171] This development had incommensurable repercussions on the Third World's ability to create a united front aiming at achieving social justice; and yet it was inevitable, since capital-attracting destinations such as Singapore were structurally dependent on foreign investment and could not afford to make any enemies, which restrained their political role.[172] Indeed, the 1997 East Asian crisis partly occurred because managers in that region, in collaboration with the IMF, "removed or loosened controls on companies' foreign borrowings, abandoned coordination of borrowings and investments, and failed to strengthen bank supervision."[173]

External pressures are, undoubtedly, the other fundamental element that contributed to the wreckage of the Third World. By taking advantage of the shortcomings and the difficulties faced by the "darker nations", international finance agencies and institutions managed to erode Third World state sovereignty immediately after the debt crisis, starting with its main global institutions: UNCTAD – which saw its purpose shift to the production of guidelines on investment opportunities in the least developed countries[174] – and the Non-Aligned Movement.

In this framework, the decline in the terms of trade is another crucial element to understand these developments, especially the losses experienced by countries depending on single-commodity exports. The decline created, first of all, a situation in which the populations could not deliver sufficient taxes and countries had to compete with one another to provide the best conditions for private portfolio capital,[175] meaning that state policy came to be driven by investors. Secondly, worsened terms of trade exacerbated the situation created by the inability of many former colonies to cover their import bills as a result of their failure to diversify their economy. To be sure, prices were also kept low because of the subsidies to producers in the G7 states. Hence, instead of being destined to social development, FDI and foreign aid in the Third World ended up being relied on in order to balance state budgets and repay loans, with dramatic consequences on employment and social inclusion.

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would not be devalued, and this led to an overhang of unhedged foreign-currency borrowing. Consequently, countries were exposed to the risk of a financial crisis characterised by a collapse of investment, a large currency devaluation linked to the increase in the value of the overhang of unhedged foreign borrowing, and thus bailout obligations for governments which they could not meet (J. Corbett, G. Irwin, D. Vines, 'From Asian Miracle to Asian Crisis: Why Vulnerability, Why Collapse?', in L. Gower and Gruen (eds.), *Capital Flows and the International Financial System*, Reserve Bank of Australia, Sydney 1999, pp. 191-192).

[171] V. Prashad, *The Darker Nations*, op. cit., p. 254.

[172] "Our prosperity and well-being depends primarily on our being able to trade with and render services to other countries […] Essentially our policy is not to go out of our way to make enemies but if others persist in treating us as enemies then we will take such measures as we think fit to protect ourselves against them." ("National Day Message from the Minister for Foreign Affairs, Mr. S. Rajaratnam," Singapore, August 8, 1966; quoted in V. Prashad, *The Darker Nations*, op. cit., p. 254).

[173] R. Wade, F. Veneroso, 'The Asian Crisis: The High Debt Model versus the Wall Street-Treasury-IMF Complex', *New Left Review* 228 (March-April 1998), p. 9.

[174] "The UNCTAD is now a booster of trade within the current unfair structure of the international political economy, not the heart of the international struggle led by the Third World to challenge and change the structure itself. […]What the darker nations must do is to increase their exports within a structure that pays too little for them (terms of trade) or does not value their inputs (labor).", V. Prashad, *The Darker Nations*, op. cit., p. 241.

[175] S. Soederberg, 'Grafting Stability onto Globalisation? Deconstructing the IMF's Recent Bid for Transparency', *Third World Quarterly* 22, n. 5 (2001), p. 851.

Together with worsened terms of trade, world inflation and high oil prices made Third World countries' debt escalate from a total of $18 billion in 1960 to $113 billion a decade later and to $612 billion in 1982.[176] To cover their debt, in the 1970s Third World states paradoxically turned to commercial banks and *conditional* loans to avoid the discipline of *concessional* lending provided by public sources in the framework of the official aid regime.[177] Low interest rates and long maturing periods, in fact, did not make concessional loans completely deprived of conditions. In sheer financial terms, contractual features of concessional loans make them more favourable than private bank loans. There were conditions, however, albeit not financial, such as the assumption of a particular international political alignment, understandings about where to spend the money borrowed, or side deals about military purchases. Together with the already mentioned end of the Bretton Woods system, the oil shock and petrodollar recycling[178] are other environmental factors that contributed to making private banks' loans more attractive: since oil producers had made deposits in both official institutions and private banks, the latter, to make profit, started lending money in the 1970s at very competitive rates thanks to the huge liquidity from which they could benefit; competition was such that they were basically offering concessional terms to borrowers. Besides being a way to avoid IMF discipline, indebtedness was at times perceived as a way to find a place in the world political economy and greater integration with Western industrialised countries (as in the case of Rajaratnam's Singapore), or as part of the decision to not confront the industrialised world directly. Another case was that of oil producing countries such as Nigeria, Venezuela, Mexico and Algeria, which became indebted after taking on massive loans to obtain technologies to produce more oil, expecting a rise in its price.

Be it as it may, most governments and institutions were expecting indebtedness to be a temporary solution to the problems that had started to arise in those years; but world economic growth had come to an end: the 1970s were characterised by stagnation and falling rates of profit. The turning point was the fight against inflation which was presented as the priority for monetary policy: it was October 6, 1979 when the chairman of the US Federal Reserve, Paul Volcker, announced a drastic restriction of monetary supply to curb the skyrocketing inflation.[179] Seeing that, in spite of those measures, inflation remained high, the federal Reserve raised interest rates even more, to almost 20 percent: the "highest interest rates since Jesus Christ", as German Chancellor Helmut Schmidt commented in 1981.[180] The result was another, even deeper, recession in 1980-1982: growth, profits and employment plummeted, while real interest rates skyrocketed on loans that several Third World countries had previously obtained on easy

[176] V. Prashad, *The Darker Nations*, op. cit., p. 229.
[177] R. E. Wood, *From Marshall Plan to Debt Crisis. Foreign Aid and Development Choices in the World Economy*, op. cit.
[178] Commercial lending to the Third World did not only benefit banks, but also the G7 countries themselves: the money owed by non-petroleum states was in fact used by the G7 to cover their deficit with the oil exporting states. In other words, as oil exporters began to recycle petrodollars, they became creditors; those petrodollars were then lent to non-petroleum Third World countries. Therefore, what we are dealing with is, indeed, a transfer of debt.
[179] "The chief losers in high inflation as it existed in the late 1970s are financial institutions and the rich, the ones who hold most of the fixed-rate, money-denominated assets (particularly bonds). They suffer the most if real interest rates go down because of inflation or even become negative, as was briefly the case in the late 1970s; and they are the ones who benefit the most from a crusade against inflation." (R. Went, *Globalization. Neoliberal Challenge, Radical Responses*, op. cit., p. 145).
[180] B. Eichengreen, H. James, 'Monetary and Financial Reform in Two Eras of Globalization', in M. D. Bordo, A. M. Taylor, J. G. Williamson (eds.), *Globalization in Historical Perspective*, The University of Chicago Press, Chicago 2003, p. 532.

terms, thus undermining their possibilities for economic growth and development as they were forced to borrow without being able to repay neither loans nor interests. Between the 1980s and the beginning of the 1990s, developing countries paid $771.3 billion in interest and $890.9 in principal - a total of $1662.2 billion, which is three times the original debt in 1980.[181]

In this context, the IMF changed its mission from the provision of short-term credit to countries with current account deficits to act as insurance for the loans provided by private commercial banks, making loans conditional to their repayment and to economic reforms which came to be called Structural Adjustment Policy. The aim, especially for the US,[182] was to maintain a tariff-free capitalist system and to safeguard its dominant position in the world economy, going after every policy initiated by UNCTAD. The one-size-fits-all solution presented by the IMF included a tighter money supply, a devalued currency, high interest rates, reduced government expenditure, lower wages, and the abolition of tariffs and subsidies.[183]

The political and economic logic that has affirmed itself from the early 1980s has eloquently been summed up by Ricardo Petrella in six "commandments":

> Thou shalt globalise. Thou shalt incessantly strive for technological innovation. Thou shalt drive thy competitors out of business, since otherwise they'll do it to you. Thou shalt liberalise thy national market. Thou shalt not countenance state intervention in economic life. Thou shalt privatise.[184]

In this framework, governments that try to protect their markets, companies or traditional sectors, and thus fail to comply with these rules, risk seeing production move elsewhere, are denied access to capital, or have to pay punitively high interest rates, which for many Third World countries has meant the failure of their social, political and economic project.

Even if Third World countries could not fully pay back the loans and interests (because they did not have the structural capacity to increase their exports nor the ability to overcome the devaluations of their local currencies linked to the IMF package), they eventually serviced their debt through the diversion of funds that might have been destined to social welfare and development and through the cannibalisation of their own resources owing to pressures of the IMF, the US government, and the local élites. In Prashad's words:

> The IMF medication produced a patient with contracted economic activity, the destruction of the capacity for long-term economic growth, the cannibalization of resources (what is known as "asset

[181] E. Toussaint, *Your Money or Your Life!: The Tyranny of Global Finance*, Pluto Press, London 1998, pp. 93–94.
[182] The control exerted over the decisions of the IMF and the World Bank by the US in particular and by other advanced industrial states such as the UK, France, Germany and Japan derived from their contribution to the total fund. See I. S. Abdala, 'The Inadequacy and Loss of Legitimacy of the International Monetary Fund', in *Development Dialogue* 2, 1980, pp. 25-53.
[183] V. Prashad, *The Darker Nations*, op. cit., p. 233.
[184] R. Petrella, 'Les Nouvelles Tables de la Loi", in *Le Monde Diplomatique*, October 1995, p. 28.

stripping"), and a consequent return to being an exporter of raw materials. Much of this resulted in rising inequality in terms of class and gender, in addition to widespread environmental devastation.[185]

Another serious consequence of increased unemployment and of the commercial banks' refusal to proffer loans without economic reform is the fact that the credibility of democratic socialism – or, considering also the fall of the Soviet Union, of any alternative to capitalism - was irremediably damaged. Thus, more and more countries were forcefully opened to investment, speculation and exports since there was no alternative left to the IMF, the World Bank and financial markets: "Rather than consider that the problem of debt stemmed from the dilemma of mono-export economies, capital-starved former colonies, or unfinished class struggles within the Third World, the IMF put the problem on the nature of the state."[186] To be sure, the state's withdrawal from the provision of social welfare did not completely coincide with a weakening of its institutions;[187] conversely, the neoliberal state started to rely more and more on repression.

Furthermore, by stressing the idea of individual responsibility and the reproachable condition of debtors towards creditors, neoliberalism contributed to spreading the belief according to which the economic disaster faced by the "darker nations" was just their own responsibility. If this assumption is taken as true, then there is no pre-existing injustice, but only contractual relations between equals that should be settled between equals; those who fail to comply bear all the responsibility and are morally reprehensible.

The most immediate consequences deriving from developments in monetary policies and financial markets, especially rising unemployment and foreign debt, became fundamental tools in the restructuring of state and society: unemployment, on the one hand, was used to impose lower wages,[188] a reorganisation of the labour process in terms of more flexibility, and outsourcing, not just in the "darker nations" but also in OECD countries. There, the changed balance of power between capital and labour led to a crisis of the welfare state following the implementation of liberalisation, deregulation, privatisation, and dismantling of social security and the public sector; as for the Third World, liberalisation, "more competition", "more market" and the structural adjustment induced in exchange of concessions over the servicing of foreign debt also meant that the asymmetry and dependency that bind the periphery to the centre continue to exist. It should be acknowledged, nonetheless, that today social divisions, exclusion,

[185] V. Prashad, *The Darker Nations*, op. cit., p. 234.
[186] *Ibid*., p. 233.
[187] See A. Appadurai, *Modernity at Large: Cultural Dimensions of Globalisation*, University of Minnesota Press, Minneapolis 1996.
[188] According to neoliberals, contrasting unemployment implies keeping wages as low as possible so as to make workers more competitive in the job market. Policies such as minimum wage laws, therefore, are not merely a distortion of market efficiency, but they also increase poverty. On the one hand, in fact, the state cannot require employers to hire at a minimum all those who were previously employed at wages below the minimum, because employers have clearly no interest to do so and invest in inefficient human capital. Supporting a minimum wage thus means assuring that people whose skills are not sufficient to justify that kind of wage will be unemployed. On the other hand, outlawing wage rates below some specified level compels employers to pay higher wages to their employees, and therefore makes them hire less people. As a result, minimum wage makes unemployment higher than it would otherwise be. Making matters worse, Friedman observes, those who are made unemployed are "those who can least afford to give up the income they had been receiving, small as it may appear to the people voting for the minimum wage" (M. Friedman, *Capitalism and Freedom*, op. cit., pp. 180-181).

marginalisation and poverty created by this kind of globalization actually transcend the old geographic core-periphery organization of the world economy. According to Castells, it is global informational capitalism associated with neoliberal economic orthodoxy that causes growing world inequality: poverty, on the one hand, is a result of certain public policies, particularly those that during the 1980s and 1990s gave priority to techno-economic restructuring over social welfare; on the other hand, features of informational capitalism such as the acceleration of uneven development and the simultaneous inclusion and exclusion of people in the growth process have translated into polarisation and the spread of misery among a growing number of people, in both developed and developing countries.[189] Indeed, export-oriented growth, more market and less state social policy, free trade, deregulation, labour market flexibility, privatisation, the holy war against inflation ("price stability") have characterised austerity programmes in OECD countries, just as shock therapy for the former bureaucratically planned economies and structural adjustment programmes for Third World countries.[190]

Still, it is undeniable that it is mainly what used to be called Third World that is becoming increasingly more marginal:

> Globalization is not really global. Transnational business activities are concentrated in the industrial world and in scattered enclaves throughout the underdeveloped world. Most people are outside the system and the ranks of the window-shoppers and the jobless are growing faster than the global army of the employed. Yet the processes of globalization are altering the character of nations everywhere and the quality of life within their borders.[191]

The fact that the Third World has become more marginal is not related to the role of raw materials: it is often claimed that this role has lost its importance, but even if the evolution of technology and the large mineral resources of the North American and Australian continents have temporarily reduced such inputs from the Third World, it is simply not true that the Third World as a raw material supplier has become irrelevant. The reasons are, on the one hand, that the relative drop in its supplies is related to the depression started in the 1970s, whereas a future expansion can invert the trend; on the other hand, the growth of Western consumer waste and increased industrialisation of the peripheries will contribute to increased competition for raw materials and thus to a more decisive role for Third World countries.[192]

That said, increased Third World marginality is more significantly related to its scarcer ability, compared with advanced industrialised countries, to enjoy the benefits of increased transworld connectivity. Proof that the so-called Triad – the EU, Japan and the US – has prevented a homogeneous unification of the world's economies is the scarce integration and participation of Third World countries

[189] M. Castells, 'The Rise of the Fourth World', in D. Held, A. McGrew (eds.), *The Global Transformations Reader*, op. cit., pp. 430-439.
[190] R. Went., *Globalization. Neoliberal Challenge, Radical Responses*, op. cit., p. 10.
[191] R. Barnet, J. Cavanagh, *Global Dreams: Imperial Corporations and the New World Order*, Simon & Schuster, New York 1994, p.427.
[192] S. Amin, A. El Kenz, *Europe and the Arab world: Patterns and prospects for the new relationship*, Zed Books, London – New York 2005, p. 51.

to the global economic restructuring of the last decades of the twentieth century, and the fact that those countries have little or no share in its supposed benefits. The Triad, for instance, accounted in the 1980s for more than 80 per cent of all capital movements; even though capital flows towards developing countries increased in the 1990s, amounting to $227.4 billion in 1994, most of that money went to a limited number of Asian and Latin American countries.[193] Furthermore, even when developing countries such as Mexico before the crisis received capital from foreign investors, it was mostly speculative capital attracted by privatisation, which did not create anything new nor favoured cohesive and equitable social development. The expansion of international trade is another trend that has mostly (about 80 per cent) concerned developed countries; in addition, more than 90 per cent of multinational headquarters are located in the Triad, and most subsidiaries are in other developed countries; finally, production and consumption of high-tech products and patent registration mostly concern countries in the Triad.[194]

In conclusion, it has been maintained that current globalizing trends have to be considered as stemming from both a long-term development in capitalism, with its tendency towards capital accumulation and concentration since the 1870s, and from IMF-led policies of liberalisation, privatisation, deregulation and dismantling of the social contract since the early 1980s.[195] To be sure, while neoliberal globalization cannot be considered the sole cause of inequality within and between countries, it is undeniable that economic internationalisation on neoliberal lines has strengthened historical patterns of dominance and dependence. The financial markets and the richest countries have seen their power increase thanks to the sacrifice of the Third World populations' needs. Thus, views of "neoliberalisation" as a win-win solution have to be rejected, for

> it takes too much blind faith in markets to believe that the global allocation of resources is enhanced by the twenty something-year-olds in London who move hundreds of millions of dollars around the globe in a matter of an instant, or by the executives of multinational enterprises who make plant-location decisions on the basis of the concessions they can extract from governments.[196]

As if political and economic considerations were not enough to condemn such a view, changes in social relationships and the weakening of social cohesion are there to prove that the way in which the laws of the market have been implemented has inevitably and increasingly undermined the possibility for independent and sustainable development. The rise of cultural nationalism is a case in point.

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[193] *Het Financiele Dagblad*, 26 Sept. 1995, cited in R. Went, *Globalization. Neoliberal Challenge, Radical Responses*, op. cit., p. 44.
[194] *Ibid*., pp. 44-45. See also P. Hirst, G. Thompson, *Globalization in Question*, op. cit.; P. Doremus et al., *The Myth of the Global Corporation*, Princeton University Press, Princeton 1998; T. Coutrot, M. Husson, *Les destins du Tiers monde: Analyse, bilan et perspectives*, Editions Nathan, Luçon 1993.
[195] R. Went., *Globalization. Neoliberal Challenge, Radical Responses*, op. cit., pp. 94-95.
[196] Quoted in M. Naím, 'Latin America the morning after', *Foreign Affairs*, July-Aug. 1995, p. 53.

THE CULTURAL TURN IN THIRD WORLD NATIONALISM

As shown in the previous paragraphs, globalization on neoliberal lines has increasingly limited the implementation of social and economic policies and projects such as that of the Third World. Starting from this consideration, the following pages explore the relations existing between neoliberal globalization and the rise of cultural nationalism as an alternative to the anti-colonial kind of solidarity that previously characterised the Third World project and that transcended racial, religious, and cultural differences.

According to Went, the reduced role of the State due to the neoliberal turn in transworld relations has led to the collapse of stable social relationships in much of the Third World and Eastern Europe. In a situation of civil society underdevelopment, the state was responsible for social cohesion and political stability, so its weakening resulted in a sharpening of social, religious, and ethnic tensions.[197]

Prashad goes deeper into the matter, making a broad distinction between top-down and bottom-up forms of cultural nationalism to explain the ways in which IMF-driven globalization led to them. On the one hand, reduced economic sovereignty and the demise of import substitution strategies increased the assertiveness of the bourgeoisie's attempts at breaking the cross-class alliance to establish a closer relation with "Western" advanced industrial countries for economic gain and consumer pleasure; as a result, anti-colonial Third World nationalism lost its appeal, and leaders increasingly relied on ethnic and religious differences to grant themselves the electoral majority. The shift from secular anti-colonial nationalism to cultural nationalism is, in other words, a shift in the forms of social solidarity engendered from above, by the dominant classes. On the other hand, however, cultural nationalism also rose from below, from the peoples' search of alternative forms of solidarity provided by religion, reconstructed racism, or undiluted class power, following the failure of socialism, anti-colonialism, and pan-ideologies to deliver their promises.[198]

Indeed, the destruction of social solidarity and the production of social incoherence and anomie[199] stemmed from the reduction of "freedom" to "market freedoms" and the commodification of everything, including labour force, which also contributed to increasing the focus on negative freedoms (freedom *from*) rather than to greater attention to positive freedoms (freedom *to*).[200] The void left behind by state powers, political parties, and other institutional forms has been filled by alternative forms of social solidarity and means to express a collective will: everything from "gangs and criminal cartels, narco-trafficking networks, minimafias and favela bosses, through community, grassroots and nongovernmental organizations, to secular cults and religious sects" all over the world, from China to Latin America, from much of Africa to the Middle East, testifying to the need for meaningful mechanisms of social solidarity.[201] Hence the growing interest in religion, morality, and even older political forms such as

[197] R. Went., *Globalization. Neoliberal Challenge, Radical Responses*, op. cit., p. 33.
[198] V. Prashad, *The Darker Nations*, op. cit., pp. 217-223.
[199] L. Boltanski, È. Chiapello, *Il Nuovo Spirito del Capitalismo*, Mimesis, Milano - Udine 2014, pp. 467 ff.
[200] I. Berlin, 'Two Concepts of Liberty', in I. Berlin, *Four Essays on Liberty*, Oxford University Press, London 1969.
[201] D. Harvey, *A Brief History of Neoliberalism*, op. cit., p. 171.

fascism, nationalism, localism and tribalism. An example is the neoconservative turn in the US that rose as a reaction against the inherent instability of the neoliberal state. To be sure, neoconservatism is, as Harvey explains, consistent with neoliberalism insofar as they share an agenda of elite governance, mistrust of democracy, and the maintenance of market freedoms. However, neoconservatism is more concerned with order as an answer to the chaos of individual interest and with morality as the necessary social glue to counter internal and external dangers.[202]

This assertion of moral values significantly relies on appeals to the ideals of nation, religion, and culture, and not only in the US. As neoliberalism does not look at the *nation* with favour, since nationalism supports the idea of a strong *state*, the reaction against the neoliberal turn has gone hand in hand with a reassertion of the ideas of nation, nationalism, and ethnic nationalism. Right-wing and anti-immigrant fascist parties in Europe are there to prove it.[203] Nonetheless, in a certain measure the neoliberal state needs nationalism in order to survive: in India, for instance, recent success in enhancing neoliberal practices was possible by means of the Hindu Nationalist Party's use of religion and cultural nationalism.[204] As Harvey argues, "Competition produces ephemeral winners and losers in the global struggle for position, and this in itself can be a source of national pride or of national soul-searching."[205] Thus, national sentiments end up being considered the answer to the dissolution of social solidarity under the impact of neoliberal policies.

While representing reactions against the shocks brought about by the contradictions of neoliberalism, both neoconservative appeals to a national moral purpose and the rise of nationalist sentiments on cultural, ethnic or religious lines around the globe can easily clash against one another in their competition to assert themselves as the superior set of moral, religious or cultural values. And it is precisely the lack of alternatives to both neoliberalism and the neoconservative and nationalist solutions that makes it all the more unlikely to avoid the catastrophic consequences of such a competition. The exclusion of tens of millions of people by means of neoliberal policies has contributed to these trends, leading proud peoples to perceive themselves as humiliated by external forces and trying to regain their pride by targeting the most vulnerable or those who are deemed responsible for the hardships they face on the basis of cultural, religious, and ethnic considerations.

The growing importance of religion is particularly significant to the purpose of the present work, especially as far as the Middle East and the Arab region are concerned. During the Cold War, in fact, Nasserism started to appear as a bigger threat than Communism, leading to a common US-Saudi strategy to counter Third World nationalism and Nasserism itself by means of cultural nationalism. The

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[202] *Ibid*., pp. 82 ff.

[203] Reactionary and racist responses can prevail in the reactions against the distress and discontent brought about by austerity. In the US, for instance, the shrinking of the middle class has been blamed on immigrants, and encouraged calls for border walls and fences; something similar has happened in the Netherlands with the 2005 referendum on the European Constitution, turned into a vote not so much against a corporate order (as in France) but against the flood of Polish people, that would push down wages in Western Europe. In Russia, Putin is seen as opposing against the shock therapy era; the problem is that, with socialism still associated with the brutality of the Stalin era, the only outlets for public rage seem to be nationalism and protofascism. See N. Klein, *The shock doctrine. The rise of disaster capitalism*, op. cit., pp. 448-449.

[204] V. Prashad, *The Darker Nations*, op. cit., p. 218.

[205] D. Harvey, *A Brief History of Neoliberalism*, op. cit., p. 85.

Eisenhower administration, on the one hand, aimed at promoting the Saudis and other monarchical forces in the region, such as the Shah of Iran and the kings of Jordan and Iraq, while providing support to the World Muslim League[206] and to small religious cells, including the predecessors of Osama Bin Laden's Advice and Reformation Committee or *Hayat Annaseyha Wa'ahisla*,[207] in order to roll back Third World nationalism.

The WML, on the other hand, pushed this same agenda by reviving and connecting older Muslim organizations that promoted the *shari'a* all over the world, creating a "Muslim public sphere" made of disaster relief, education, and social welfare charity, at first to curtail the influence of Nasserism and Communism, and later to compensate the lack of state intervention in those same fields. While the dismissal of all ideologies except for Islam goes back to the views of the Muslim Brethren, the WML became, more specifically, the means to export Wahhabism, the Saudi religious doctrine that firmly opposed the Egyptian-born Brotherhood and that turned nationalism and Communism into enemies of Islam.

What Wahhabism and the WML did was, in a way, to reverse history, to go back from nationalism to the promotion of a global community of believers based on three cultural conceptions whose reduced influence had been crucial, according to Benedict Anderson,[208] for the development of nationalism: a sacred language (such as Latin, Arabic or Sanskrit), divine monarchy (in this case the Caliph), and the concept of time as eternal return, with no distinction between history and cosmology. Thus the WML replaced the idea of *qawm* (a nation of equals) with the idea of *umma* (a community of believers), which is also, to be sure, part of a broader Saudi hegemonic project that rests on the Saudis ability to guide this "Islamic nation". For that purpose, and in order to divert the people's attention and resentment away from the precarious living conditions in a theocracy characterized by an excessively profligate ruling family, the Saudis promoted a reactionary form of Islam and took advantage of the 1973 rise in oil prices to buy off their citizens.

Increased liquidity during the 1970s had in fact allowed the Saudi monarchy to increase the social wage while not tackling the dependent nature of the country's economy, that kept relying on one-commodity exports (crude and refined oil) to sustain a poorly developed industry, a neglected population, the military, and the state apparatus itself, while increasingly diverting oil funds away from infrastructure towards the main centres of capital (New York, London, and Zurich). The instability of oil prices, however, led to economic collapse and increasing political unrest, which were addressed in the 1980s with a World Bank-recommended structural adjustment characterised by privatization and austerity, dramatic reductions in social wage and infrastructure, and devolution of oil fields to TNCs.[209] The resulting protests were met with both repression and an ideological campaign aiming at avoiding

[206] On the World Muslim League see for instance G. de Bouteiller, 'La Ligue Islamique mondiale: une institution tentaculaire', in *Defense Nationale* 37 (February 1981), pp. 73-80; J. Landau, *The Politics of Pan-Islam: Ideology and Organization*, Clarendon Press, Oxford 1990; M. Haq, 'The Rabitah: A New Tradition in Panislamism', in *Islam and the Modern Age* 9, no. 3 (1978), pp. 55-66;
[207] W. C. Eveland, *Ropes of Sand: America 's Failure in the Middle East*, London: W.W. Norton, London 1980, p. 244.
[208] B. Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, op. cit.
[209] V. Prashad, *The Darker Nations*, op. cit., p. 269.

domestic criticism and canalising dissent in a misogynist and anti-modernist direction; private capital from the Gulf went, with CIA support, to Islamic liberation movements and the ideological and military training of Afghans and Pakistanis for the jihad against the Soviets by means of faith-based education.[210] In other words, shifting the people's attention to *dar ul-harb* (the "house of war" where Muslims are not in power) served the purpose of making them forget about the non-existing humanitarian and developmental programme in *dar ul-Islam* (the "house of Islam").[211] Meanwhile, as neoliberal globalization reduced the role and relevance of the state, Islamist organisations filled the void it left to offer services and public goods such as education, health care, and relief (cf. Chapter 4). IMF institutions, in fact, had forced Third World states to withdraw from the delivery of those services, so that private organisations and charities could do the work. In Egypt, for instance, the growth of cheap Islamic schools ended up replacing the increasingly eroded public educational system and gathered more and more lower middle class and working class youth, inevitably shaping their ideas and expectations also by providing them with opportunities that their country was no longer willing or able to provide.

In conclusion, since the 1970s several trends and developments have contributed to the ravaging of state sovereignty. In the Third World, the parallel impacts of neoliberal globalization and the conservative social forces that rejected equality in favour of hierarchy and cultural superiority undermined the ideas of socialism and anti-colonial nationalism, offering an alternative vision deeply rooted in racial, religious, and atavistic differences. With the demise of the Third World project, in fact, public anger had few outlets left for expression other than cultural nationalism and religious fundamentalism. In this context, the need to eliminate socialist governments, Nasserism and Communist movements on the one hand, and to ensure class dominance in the era of neoliberal globalization on the other, required conservative regimes such as Saudi Arabia and the old social classes in the "darker nations" to exert themselves by pursuing structural adjustment and abandoning developmental programmes while embracing cultural nationalism. Legitimacy and discipline in the Third World started to be increasingly guaranteed through the use of cultural conservative ideas rooted in religion and racialism, "by making horizontal cultural connections across vertical class lines"[212] to keep neglecting the rights and needs of the populations. To be sure, neoliberal globalization and cultural nationalism are not in opposition but rather reinforce one another. On the one hand, cultural nationalism has facilitated the diffusion and significance of neoliberal globalization and institutions. On the other hand, neoliberal, "IMF-driven" globalization has opened the economies to the contradictions of today's transworld relations while blaming religious, ethnic, sexual and other minorities for the failure of non-capitalist attempts at pursuing development and well-being. Furthermore, the effects of cultural nationalism and religious fundamentalism have been exacerbated by the fact that they have constituted a reaction against

[210] Among the private actors in the Gulf that provided the money were the WML, the International Islamic Relief Organization, the Saudi and Kuwaiti Red Crescent, the Saudi General Intelligence Department, and the Saudi royals. With that money, a web of religious schools (madrassas) was created, swelling from nine hundred schools in 1971 to eight thousand by 1988. See A. H. Nayyar, 'Madrasa Education', in *Education and the State: Fifty Years of Pakistan*, ed. Pervez Hoodbhoy, Oxford University Press, Karachi, Pakistan 1998, p. 226.
[211] V. Prashad, *The Darker Nations*, op. cit., p. 271.
[212] *Ibid*., p. 274.

the feelings of humiliation and isolation engendered by the contradictions of globalization. This aspect is particularly relevant insofar as the failure of the national liberation project stemmed from the developments outlined in the chapter had severe consequences on the peoples' perceptions concerning their present conditions, their future perspectives, and even their memories of the past. Failure and reduced confidence, in fact, lead people to "fall back into the past, and to become drunk on the remembrance of the epoch which led up to independence."[213] Nostalgia, the remembrance of a past (and lost) "golden age", often results in victimism and paralysis, inevitably precluding redemption, change, and progress. This is particularly true for the Arab-Islamic world: the rest of this work thus focuses on specific cases to describe the effects of neoliberal globalization and austerity in terms of worsened inequality and increased disaffection with socialism and Third World nationalism, and then to determine whether there exists a correlation between neoliberal globalization and the feelings of humiliation and frustration that contributed to a rise of cultural nationalism and religious fundamentalism.

[213] F. Fanon, *The Wretched of the Earth*, op. cit, p. 169.

PART II

MAKING AND UNMAKING THE ARAB SOCIAL CONTRACT

Introduction

Looking back in history, one could find a number of cases to which it is more or less possible or accurate to apply the idea of social contract - also referred to as social pact or compact. However, it is of paramount importance to keep in mind that, by doing so, modern categories are used to interpret history, and the risk is precisely that of anachronism, of imposing modern concepts and ideas on history itself. Having laid down this premise, Part II of this work starts with a series of provocative statements: that "I am the State" was Louis XIV's view of the social "contract"; that in 1917, socialism spread the diametrically opposite idea – if not the practice - that authority and ownership of all assets were to be transferred to workers and peasants; that even earlier, the French Revolution itself was a quest for a new social contract, and that even the 1215 English Magna Charta Libertatum seems to provide an early definition of social contract with its attempts at protecting individual freedoms against the King, something that deeply influenced the US Constitution as well.

Certainly, this is not the place for a detailed analysis of 800 years of constitutionalism, and history cannot be "flattened" in a few lines. In absolute monarchies such as that of Louis XIV, for instance, there was no social contract as they were, by definition, *ab-solutae*, free from any responsibility except for that towards themselves. Similarly, the definition of the English Magna Charta as an early manifestation of social contract to protect individual freedoms against the King could be formally correct, but it should be evaluated only after a dual-track analysis, one that is philological and cultural, on the one hand, and historical, on the other hand. In fact, the first kind of analysis is necessary to address the contents of the Magna Charta, written in a specific language and institutional context, and to find a relation between its terms and politico-ideological concepts that can be translated and applied across the centuries, and not only in terms of ideal references; in addition, such a consideration of the Magna Charta requires a historical analysis that considers the socio-political context of the English Kingdom in the early XIII century, battered by the effects of the third Crusade and by the increasing ambitions of the landed gentry, who imposed the Magna Charta to the King for almost exclusively fiscal purposes with no intention to represent the whole of society, but only its wealthiest and most influent members.

The introductory assertions made above must therefore appear bold and risky, and indeed, it is at the very least difficult to accept and apply to different eras the definition of a modern concept, that of social contract, whose modernity lies precisely in the importance of individual freedom, that in the late Middle Ages, just to give an example, did not exist as the measure of social – and much less political - organisation. Nonetheless, those few lines simply aimed at giving a broad sense of how different epochs and socio-political contexts naturally witness alternative forms of justice and justification of social relations, power, and authority, defining obligations and expectations of governors and citizens. In the past, the imposition of particular conceptions of justice was based on the so-called "divine law"; today, this system could be considered as a *sui generis* "social contract", in which protection is granted in return for obedience although, for those who experienced it, that system was all but contractual. The idea of "divine law" was first challenged in the seventeenth century by thinkers who rooted the relation between

the state and its citizens in rational thought rather than religion; first, Thomas Hobbes (1588-1679) defined the contract as "the mutual transferring of right", and the social contract as the condition in which people give up some individual liberty in exchange for some common security. John Locke (1632-1704), instead, argued that a government cannot be put in place without the explicit consent of those governed, so it is the voluntary surrender of freedom that makes the justice system legitimate in the government; more stress is thus placed on the rightfulness of such government. Later, Jean-Jacques Rousseau (1712-1778) wrote that through the social contract a new form of social organisation, the State, was formed to ensure rights, liberties, freedom and equality. This State and its law, however, are the product of the General Will of the people, and they would be discarded without conformity to the people's will.[1]

Therefore, according to social contract theory as formulated from the seventeenth and eighteenth centuries, political legitimacy, authority and obligations depend on the consent of "those who create a government (sometimes a society) and who operate it through some form of quasiconsent, such as representation, majoritarianism, or tacit consent."[2] Consistently with this view, legitimacy and authority no longer depend on patriarchy, theocracy, divine right, custom, convenience, or any other basis, but rather on consent, that is, on willing, on a voluntary individual act.[3] Compared to ancient tradition, in which "the ancient conception of a highly unified and collective politics was dependent on a morality of the common good quite foreign to any insistence on individual will as the creator of society and as the basis of obligation",[4] the Reformation and the Protestant view of individual moral autonomy have had a fundamental role in reinforcing the element of individual choice and responsibility and in subordinating the role of moral authority, thus forming the intellectual basis of contract theory.[5]

To be sure, Rousseau's discourse on the General Will is partly different from Locke's theory. According to Patrick Riley, Rousseau was faced with the paradox represented by the idea of volition, and the fact that the idea of general will (at least when it is a corporate or collective will) is "a philosophical and psychological contradiction in terms", because will is a conception "understandable only in terms of *individual* action (emphasis added)".[6] However, Rousseau made such a problematic idea the centre of his political theory, and the idea of General Will continues to be taken seriously because it tries to integrate two important traditions of political thought: ancient cohesiveness and modern voluntarism. Unlike Hobbes and Locke, Rousseau tried to integrate psychological theory and moral theory; but while voluntarism solved the problem of legitimacy, that did not necessarily imply the goodness of what was willed. Hence, what Rousseau supported was a particular kind of will. In Riley's words: "he [Rousseau] wanted will to take a particular form; he wanted voluntarism to legitimize what he conceived to be the unity and cohesiveness […]. Against the alleged atomism of earlier contract theory Rousseau wanted the

[1] For a general discussion of constitutional history see for instance P. Riley, *Will and Political Legitimacy: A Critical Exposition of Social Contract Theory in Hobbes, Locke, Rousseau, Kant, and Hegel*, Harvard University Press, 1982.
[2] *Ibid*., p. 1.
[3] E. Barker, *The Social Contract*, Oxford University Press, Oxford 1947, pp. v-xii; H. C. Mansfield Jr., *The Spirit of Liberalism*, Harvard University Press, Cambridge, Mass. 1978, p. 45.
[4] P. Riley, *Will and Political Legitimacy*, op. cit., p. 3.
[5] *Ibid*., p. 2.
[6] *Ibid*., p. 98.

generality - the nonindividualism, or rather the preindividualism - of antiquity to be legitimized by consent."[7] Hence, although in various forms, voluntarism has come to play a crucial role in Western modern thought in particular.

Today, the term social contract has come to refer to collective agreements whose main purpose is to regulate employment and wages on the basis of bargaining between state, labour and capital. This conception has come to be closely intertwined, especially in the aftermath of the 1929 crisis, with the idea of welfare state. To be sure, the welfare state is not a "collective agreement" in a technical or legalistic sense, as no one has ever formally signed an agreement called "welfare state". Despite being a very complicated issue, most definitions of the welfare state agree on the assumption that its purpose is the enhancement of human welfare, and the affirmation of more "enlightened" values over those of a capitalist society. According to Asa Briggs, for example, a welfare state is

> a state in which organized power is deliberately used [...] to modify the play of market forces in at least three directions – first, by guaranteeing individuals and families a minimum income [...]; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain 'social contingencies' (for example, sickness, old age and unemployment) [...]; and third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services, such as education.[8]

Others, like Ian Gough, go as far as to argue that the welfare state is a constituent feature of modern capitalist societies. In that sense, it is not only about state provision of social services or state regulation of private activities; by welfare, Gough means the use of state power aiming to promote the adaptation of labour to the ever-changing capitalist market, and aiming to the support of the unemployed population.[9]

These views are in obvious contrast with the neoliberal belief that there is no justification for state intervention to promote equality. The *bête noire* for neoliberalism, in fact, is the concentration of power in a political body. This is why Hayek considered the welfare state as a threat to freedom, "a household state in which a paternalistic power controls most of the income of the community and allocates it to individuals in the forms and quantities which it thinks they need or deserve. [...] [people] can no longer exercise any choice in [...] health, employment, housing and provision for old age, but must accept the decisions made for them by appointed authority on the basis of its evaluation of their need." Quite strikingly, he concludes that "It is sheer illusion to think that when certain needs of the citizen have become the exclusive concern of a single bureaucratic machine, democratic control of that machine can then effectively guard the liberty of the citizen."[10]

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[7] *Ibid*., pp. 99-100.
[8] A. Briggs, 'The Welfare State in Historical Perspective', in C. Pierson, F. G. Castles, *The Welfare State Reader*, Polity Press, Cambridge 2006, p. 16.
[9] I. Gough, *The Political Economy of the Welfare State*, Macmillan, 1979, pp. 2-4.
[10] F. A. Hayek, 'The Meaning of the Welfare State', in C. Pierson, F. G. Castles, *The Welfare State Reader*, op. cit., pp. 93-94.

The sustainability of a social contract depends on its fairness. In recent years, a dismantling of existing social contracts on neoliberal lines has occurred in both developed and developing countries. For one thing, economic growth and social media have raised aspirations, especially among the young and the middles class; at the same time, factors like rising inequality, the changing nature of work, and the failure to deal with informality in developing countries have often left those aspirations unfulfilled and brought about feelings of exclusion, hopelessness and frustration among their populations. This has engendered, in many cases, a backlash against the systems so emerged and, especially after the implementation of structural adjustment programmes, against globalization tout-court and allegedly undue external interference, both often perceived by many amongst the vulnerable and the poor as the only culprit for their socio-economic difficulties.

Starting from these assumptions, Part II considers the case of the Arab social contract, its rise and its fall, from a historical perspective, before turning to a more sociological approach in Part III. Chapter 3 deals with the creation of post-independence Arab social contracts between the 1950s and the 1960s. After considering the ancient cultural and religious roots of the values this contract relies on, it will be argued that, despite their diversity, Arab countries shared similar social contracts with a few key common features; for this purpose, the chapter will consider the definitions provided by authors such as Steven Heydemann, Nazih Ayubi and Mourad Magdi Wahba, who described the Arab social contract as "national-populist" or "étatist". Chapter 4 considers instead the case of Egypt to analyse the role that the Washington Consensus and structural adjustment programmes played in the dismantling not only of the post-independence social contract, but also of that centuries-old "contract" existing between Muslim societies and their rulers.

CHAPTER 3

ON CREATION: THE CENTURIES-OLD "CONTRACT" BETWEEN ARAB SOCIETIES AND THEIR RULERS

The ancient roots of the Arab social contract

When thinking of welfare and social contract, one tends to look at the state as the main provider of social security and access to education, health care and other services for its citizens. However, social policy existed before the emergence of both the state in its modern conception and the classical "welfare state". Furthermore, welfare has always been more than just publicly provided welfare. In this sense, the concept of "welfare mix" can actually better represent the interplay of different actors, institutions and policy instruments, and instead of "welfare states" it might be more accurate to refer to "welfare systems", as they include the family, the community and charitable networks, the market or commercial providers, as well as the state.[11] In addition, in certain historical and cultural contexts, notions of consent and voluntarism in social contracts are understood differently compared to modern and contemporary Western thought. The Islamic conception of economic and social behaviour, for instance, is defined "within the parameters of its own ethical system, which fact, incidentally, demonstrates its originality and relativity."[12] While religion in the West is generally understood as referred to beliefs and practices that spiritually link individuals to God, for Muslims Islam is *din wa dunya wa dawla* ("religion, society and state"), and religion is a way of life, "a blueprint for an ideal society [...] a blueprint that organises all aspects of social and political life", with "a universal mandate [...] to create an ideal society on earth."[13] The Islamic law, the *shari'a*,[14] provides the paradigm of this civil religion; not only does it define the God-human relationship, but it also deals with the social and economic transactions "that must be conducted between individuals and groups, including the state, in keeping with the demands of justice in all areas of human existence."[15] In addition, justice is considered by the Koran as the main source of good governance. Personal redemption depends on one's responsiveness to justice and to the needs of the poor; consequently, to ignore them means ignoring the foundations of Islamic faith.[16] In sum, economic motives in Islam are closely linked to its ethical norms; hence, economic motives are not voluntary

[11] Economic and Social Commission for Western Asia (ESCWA), *Towards a New Welfare mix? Rethinking the Role of the State, the Market and Civil Society in the Provision of Social Protection and Social Services*, Integrated Social Policy Report V, Beirut 2014.
[12] S. N. H. Naqvi, *Islam, Economics and Society*, Kegan Paul International, London 1994, p. 80.
[13] A. Sachedina, 'Political Islam and the Hegemony of Globalisation: A Response to Peter Berger', in *Religion and Globalisation*, 'The Hedgehog Review: Critical Reflections of Contemporary Culture', Vol. 4(2), 2002, p. 23.
[14] Islamic law is based upon four main sources: the Koran, the Sunna or practices of the Prophet Muhammad, the consensus or agreement of Muslim scholars on religious issues (*Ijma'*), and the deduction of legal prescriptions by analogic reasoning (*Qiyas*). One eminent explanation of Islamic theology and of the main sources of the law is provided by A. Bausani, *L'Islam. Una religione, un'etica, una prassi politica*, Garzanti, 2011, especially pp. 15-17 and 37-39.
[15] A. Sachedina, *The Role of Islam in Public Square: Guidance or Governance?*, Charlottesville, Virginia, USA, University of Virginia, memorandum 2007, p. 19.
[16] *Ibid.*

actions but part of the revealed knowledge, whose dogmatic nature makes it necessary to follow those ethical norms.

For this reason, before analysing the nature of the post-independence Arab social contract and its related development model, it is advisable to consider briefly how, historically, values of solidarity, charity and generosity have rooted in Muslim societies and influenced both modes of governance and expectations of how those mechanisms should work to be legitimate. To be sure, several religions besides Islam have exalted, since their earliest appearance, ethical principles and moral values such as generosity, charity, fraternity and responsibility, which emerge as fundamental in guaranteeing just economic transactions, wealth redistribution and social cohesion. In St. Paul's famous Letter to the Corinthians, charity emerges as a central value to Christianity:

> Charity is patient, is kind: charity envieth not, dealeth not perversely; is not puffed up; Is not ambitious, seeketh not her own, is not provoked to anger, thinketh no evil; Rejoiceth not in iniquity, but rejoiceth with the truth; Beareth all things, believeth all things, hopeth all things, endureth all things."(1 Cor 13, 4-7)

Repeated calls for generosity are also contained in the Koran:

> O you who have believed, spend from that which We have provided for you before there comes a Day in which there is no exchange and no friendship and no intercession. And the disbelievers - they are the wrongdoers. (II, 254)

> The example of those who spend their wealth in the way of Allah is like a seed [of grain] which grows seven spikes; in each spike is a hundred grains. And Allah multiplies [His reward] for whom He wills. And Allah is all-Encompassing and Knowing. (II, 261)

The Koran also insists on the idea of right (*haqq*) that the poor have on the wealth of the rich: the community of believers is thus made of "those within whose wealth is a known right for the petitioner and the deprived" (LXX, 24-25). The economic reforms introduced by Prophet Muhammad in Medina in the VII century aimed in fact at building a community based on justice and on a social pact shared by its members, particularly by putting an end to speculative activities, encouraging production, work, agriculture and commerce, and by introducing, as a religious obligation, acts of charity for the poor and those in need.[17] Although linked to the Bedouin concept of generosity (*muruwwa*), the Koranic idea of wealth redistribution represented an important innovation as it affirmed the principle of reciprocal support and charity as a religious obligation. In his *Le mendiant et le combattant*, Christian Décobert defined early Islamic economy as an "économie aumônière", that is, an economy based on the constant circulation of wealth and charity in the community.[18]

[17] E. Francesca, *Economia, religione e morale nell'Islam*, op. cit., pp. 61 ff.
[18] C. Décobert, *Le mendiant et le combattant. L'Institution de l'Islam*, Éd. Du Seuil ("Recherches anthropologiques"), Paris 1991.

An example of charity as a religious obligation is the *zakat*, a levy on wealth and one of the five pillars of Islam; it varies with wealth position, but it is roughly 2.5 per cent of capital assets. Another form of charity considered by Islamic law similar to the *zakat* is the so-called *waqf*, not mentioned in the Koran but attributed by tradition to a decision of the second Caliph, 'Umar Ibn al-Khattab.[19] A *waqf* is a religious endowment where the donor gives away some of his or her wealth and determines the purpose and beneficiaries of the endowment. Indeed, during the Middle Ages it was private initiative that, both in Europe and in the Islamic world, provided fundamental social services to vulnerable categories such as the elderly, widows, orphans, pilgrims and the poor. Not only can the beneficiaries of such pious foundations be groups of people, but also public services and utilities including hospitals, schools, mosques, or infrastructures such as public fountains and bridges. To be sure, the diffusion of the *waqf* and of the institutions it financed in medieval Islamic societies does not imply the existence of welfare societies as we define them today. Such concept was unknown at the time, and it should also be remembered that the *waqf* had a religious rather than a purely social purpose, since it mainly financed the pilgrimage to Mecca and supported Sufi orders. During the Ottoman period in particular, in fact, Sufi monasteries and their plots of land constituted as *waqf* became the outposts for the colonisation and islamisation of the Empire's frontiers.[20]

Today, as during the Middle Ages, Islamic societies are governed by a deep-seated sense of community compared to societies were individualism is more strongly valued. Perhaps more than other religions, Islam emphasises the significance of the *socialisation* process, along with peace, justice, social harmony and collective responsibility for the poor and those in need. Not only do individuals depend on one another – just as they all depend on God – for survival, but they also need forms of sympathetic attachment in order to develop in a harmonious and balanced manner. Dependency is a fundamental value, and compassion is its most complete manifestation. Gift economy thus becomes an integral part of Islamic thought and social order, also describing the relation between power and grace: the powerful becomes a benefactor by offering accommodation, food, and education to the poor and those in need, gaining merits in front of God. Through charity, the rich express their gratitude to God for the wealth conceded, whereas the poor can reinforce their bonds with the community. Religion thus permeates the economy by providing an ethical justification to wealth circulation in society and legitimisation to such a social order.[21]

Islamic economic thought during the Middle Ages also contributed significantly to shaping modern and contemporary conceptions of the role of the State in its relation with the market. The starting point was the assumption of the need for a social organisation since man is, by nature, a political animal that seeks to satisfy primary needs within complex forms of collectivity. In this framework, the State

[19] On *waqf* in the Islamic world see for instance R. Deguilhem (ed.), *Le waqf dans l'espace islamique: outil de pouvoir socio-politique*, Institut français d'études arabes de Damas, Damas 1995; Y. Lev, *Charity, Endowments, and Charitable lnstitutions in Medieval Islam*, University Press of Florida, Gainesville 2005.
[20] A. Layish, 'Waqf and Sufi Monasteries in the Ottoman Policy of Colonization: Sultan Selim I's Waqf of 1516 in Favour of Dayr al-Asad', in *Bulletin of the School of Oriental and African Studies*, 1, 1987, pp. 61-89.
[21] E. Francesca, *Economia, religione e morale nell'Islam*, op. cit., pp. 63-64.

influences and favours the development of economic institutions and represents one of the main economic actors. According to historiographer and historian Ibn Khaldun (1332-1406), the nature and degree of economic development of society depended on the character of the State: it is the State that provides the input for economic development by encouraging urban growth, by creating demand for goods and specialised workforce, and through public expenditure.[22] To guarantee wealth circulation, the power of the rulers included economic prerogatives such as an efficient management of tax collection and redistribution and even, to a certain extent, price controls. Hanbalite theologian and jurisconsult Ibn Taymiyya (1263-1328) had already expressed a similar concern with the need for State intervention.[23] According to him, economy and religion cannot be separated; hence, the role of the State in the economy derives directly from the religious obligation to "command good and forbid evil", and it is finalised to the harmonisation of conflicting interests and the guarantee of social cohesion. For these purposes, while guaranteeing a certain independency to individual initiative, the State can – or rather should – intervene to redress market distortions linked to monopolies and speculations that cause price raises harmful for the population, thus interfering with individual freedoms if it is in the interest of the whole community. For this reason, Ersilia Francesca considers Ibn Taymiyya's moderate "liberalism" to be somewhere in between capitalist "mercantilism" and a certain "theocratic socialism".[24]

The central role of the State in national reconstruction and development after the Second World War reflected a shared appreciation of social solidarity, both in developed and developing countries. This was partly due to distrust of markets following the 1929 crisis, and partly, in particular cases, to embedded cultural assumptions such as those that have just been considered. As for post-independence social contracts and welfare systems in Arab countries, they witnessed initial years of impressive development progress. Today, however, they are at their limits. On the one hand, they are stretched by years of substantial public expenditures on social transfers, subsidies, and public services for a growing population which is in large part still excluded from social protection schemes; on the other hand, structural adjustment programmes based on the dictates of the Washington Consensus significantly reduced the scope for State intervention, and exacerbated its inability to provide access to quality social services for all and to meet people's expectations. The system emerged from the structural adjustment of the 1980s-1990s has been called into question particularly by voices calling for dignity and social justice raised in 2011, from North Africa to the Levant, and this provides further foundation to the already widespread agreement on the need for a new Arab social contract.

The national-populist social pact and étatism in post-independence Arab States

Definitions of social contract in the Arab world cannot be limited by considerations of the role played by individual choice and voluntarism which dominate Western liberal thought; embedded cultural and

[22] *Ibid*., p. 147.
[23] Ibn Taymiyya, *Hisba* (English translation M. Holland, *Public Duties in Islam. The Institution of the Hisba*, introduction and notes by K. Ahmad, The Islamic Foundation, Leicester 1982).
[24] E. Francesca, *Economia, religione e morale nell'Islam*, op. cit., p. 152.

religious beliefs significantly contribute to shaping perceptions and expectations, and in Muslim societies those beliefs are tightly linked, as previously explained, to dependency as a value and to solidarity as a moral and religious obligation. This, in turn, inevitably influences the forms and modes of the "contract" existing between citizens and rulers. Thus, instead of simply considering the social contract as an agreement between social actors, Steven Heydemann has identified a broader meaning of social pact, more applicable to the majority of Arab states after independence. In Heydemann's words,

> a social pact can be conceptualised not solely in terms of an institutionalised bargain among collective actors but also as encompassing a set of norms or shared expectations about the appropriate organisation of a political economy in general. Such norms shape perceptions concerning whose interests need to be taken into account in making economic and social policy, which actors have a legitimate claim on state resources, which institutional forms are accepted as legitimate mechanisms for organised interest representation, what kinds of demands state actors can legitimately make on interest groups, what mechanisms are available to both state and social actors to resolve conflicts, and what kind of policy instruments state actors can legitimately deploy to achieve their aims.[25]

This conceptualisation is especially useful to consider the emergence and consolidation of a particular model for the organisation of mass politics and management of state-society relations in the Middle East, defined by Heydemann as the national-populist social pact. It emerged as a result of the interaction of two parallel developments in the area: on the one hand, colonial projects of state building, consisting especially in the construction and imposition of electoral systems of mass-based political representation and, on the other hand, the rise of anti-colonial independence movements that equally influenced the transition from elite to mass politics.[26] It is important to underline, for the purpose of this chapter, that these developments promoted, in turn, the emergence of modern conceptions of citizenship and crucially of the state as an agent of public welfare. To be sure, mass incorporation was controlled so as to serve the nationalist cause by establishing the legitimacy of the elites' claims to articulate demands for independence; the reference here is to the argument advanced in Chapter 2 of the present work, according to which post-colonial governments have often demobilised their populations and excluded them from decision making to centralise power in the state or, more precisely, in the hands of the dominating national liberation party.

The institutional arrangements, policies, discourses and state-society relations that characterise the national-populist social pact are broadly shared by most post-independence Arab countries. A first common development was the establishment of military rule. The central role played by the armies and the military elites in the acquisition of independence as well as in the consolidation of post-colonial states can be used as a general paradigm to analyse the formation and expansion of national-populist Arab states starting from the 1950s. Indeed, from Boumedienne to Nasser, from Gheddafi to Hafez Assad, the leaders

[25] S. Heydemann, 'Social pacts and the persistence of authoritarianism in the Middle East', in O. Schlumberger (ed.), *Debating Arab Authoritarianism: Dynamics and Durability in Non-Democratic Regimes*, Stanford University Press, 2007, p. 25.
[26] *Ibid*., pp. 29-30.

that managed the construction and consolidation of most Arab-Islamic countries were militaries. Among the reasons accounting for such a trend were the weakness and immaturity of civil societies, also due to legacies of the colonial past such as economic backwardness, and the lack of a middle class as well as of a political and institutional system that could have carried out effective economic and political reforms, had the army not intervened. Today it can be argued, looking back in history, that not only did military rule prevent the development of democratic systems in the region, but it also perpetuated the underlying injustice in resource allocation and the administrative and bureaucratic burden that had characterised the colonial period until the 1930s and 1940s.

Another common feature of post-colonial Arab countries was a huge expansion in the power and pervasiveness of the state apparatus, largely due to a growth of bureaucracy, police, army and private enterprises. Several reasons account for this development and are largely shared by ex-colonies, not only in the Arab region; among them are the need for security and control over the newly independent territory and the promotion of socio-economic development.[27] Administrative expansion in the Middle East was also due to some region-specific reasons, such as the implementation of land reforms, the scarce role of the private sector in the pursuit of development, the drive for Arab unity,[28] and oil wealth to finance modern systems of administration and welfare programmes.

Other similarities include a focus on redistribution and social equity rather than growth, supported by nationalist, populist, and redistributive discourses through which state elites sought (and still seek) to legitimise their developmental projects, if not their political authority more generally. The national-populist social pact is also characterised by a preference for state regulation and intervention over markets, and for the protection of the national economy from global competition. Finally, there has been a widespread concern with making the political arena the site for expressing the "organic unity of the nation" rather than the context for political contestation.[29]

Arab states also developed another significant common feature: the existence of distinctive modes of informal politics and resource allocation that displaced previous structures of informality (although forms of rent seeking and predation persisted) and that emerged during the 1950s and the 1960s parallel to formal institutional arrangements for governance and resource allocation. These informal networks are especially characterised by the concern with securing privileged access to resources mainly to members of the dominant political party, officers, bureaucrats, and union elites. As Heydemann highlights, a significant practical divergence emerged between, on the one hand, the criteria for inclusion in these networks, which developed connections to landed, industrial, and commercial elites, and on the other hand inclusion in egalitarian, redistributive norms that organised mass politics. What is most important about these informal arrangements is the fact that, by depending on and contributing to the survival of the

[27] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., p. 23.
[28] Between 1958 and 1961, Egypt expanded its power in Syria by virtue of its dominant role within the United Arab Republic formed by the two countries; between 1963 and 1964, Egypt encouraged the same process in Iraq as a precondition for any possible union between Cairo and Baghdad, but relations between the two countries were eventually marred by disputes during Sadat's presidency (M. Campanini, *Storia del Medio Oriente Contemporaneo*, il Mulino, Bologna 2017 (5^ ed.), p. 139).
[29] S. Heydemann, *Toward a New Social Contract in the Middle East and North Africa*, Carnegie Endowment for International Peace, 20/08/2008.

formal rules that produced them, they provide regimes with "bounded adaptiveness" and informal modes of conflict resolution, bargaining, and coalition management that permit the maintenance of the system.[30]

Nonetheless, the benefits of this hybrid mode of governance ended up being outweighed by its costs, particularly the continuing, considerable investment by Middle Eastern regimes in internal security, surveillance, and policing, also giving rise to talks of Arab "predisposition" for authoritarianism and the impossibility of establishing democratic forms of governance. Indeed, public sector jobs, free or subsidised access to public services such as health and education, and subsidised foodstuff and energy have been offered by rulers in exchange for political acquiescence, loyalty, and limited political rights,[31] although one should not underestimate the power of attraction of the Arab leaders' rhetoric of governing "for the people" - instead of "with the people" - coupled with promises of growth, social justice and, last but not least, restoration of Arab pride.

This was particularly evident in the power of attraction exerted on the whole region by Panarabism and socialism. While broadly perceived as the foundation of Arab pride and solidarity, Panarabism was intended by Egypt as the assumption of political responsibility towards the Arab world, and in spite of its limits (only once, with the United Arab Republic established with Syria, would this rhetoric turn into a concrete institution), it contributed to Nasser's enormous prestige, making him the main reference for all Arab claims. Arab nationalism failed, nonetheless, to create transversal links between the various Arab-Islamic communities, and it eventually turned into national particularism. What could be observed was, therefore, a clear distinction between ideology and political practice, the latter all too often driven by historical necessities and circumstances. It is also as a consequence of the failure of Arab nationalism to create a united Arab front that Islam could later be reaffirmed as a factor of identity awareness, particularly when all other references and solidarities had been lost or had failed in delivering their promises for the future.

As for socialism, although many post-independence Arab regimes were described and described themselves as "socialist" and pursuing "the non-capitalist path", especially Egypt, Syria, Iraq and Algeria, it is a partly misleading definition. For one thing, the elites that came to power in those countries had no intention of applying socialism. The norm, in the Arab region, was a military coup or a "palace coup", and although the regimes sometimes adopted some "socialist" objectives, they did so from a position of authority that aimed at establishing "socialism without socialists". In this sense, Arab "socialism" aimed at mass mobilisation and political control through, on the one hand, arrangements similar to those adopted in the Soviet Union, especially with respect to economic planning, public enterprise and centralisation, and on the other hand through social-welfarist public policies that were populist in character but that became increasingly egalitarian, such as land reforms, increased spending in education, social protection and subsidised basic commodities.[32]

[30] S. Heydemann, 'Social pacts and the persistence of authoritarianism in the Middle East', op. cit., pp. 33-34.
[31] H. Larbi, *Rewriting the Arab Social Contract: Toward Inclusive Development and Politics in the Arab World*, Belfer Center for Science and International Affairs, May 2016, pp. 28 ff.
[32] N. N. Ayubi, *Over-stating the Arab State*, I.B. Tauris, London-New York 1995, pp. 198-199.

To be sure, adopting the Soviet model – however disappointing it might appear now - of planning and centralisation meant, at that time, "being socialist", particularly as all the measures taken by Arab regimes were considered the quintessence of socialism. Still, the Arab path could not be considered entirely socialist: the Nasserite state, for instance, has been described by John Waterbury as "a form of semi-populist, state capitalist, developmentalist nationalism – a common form in the Third World. In that form, the state dominates the economy, but is unable to transform it either into a non-capitalist form or into a dynamic capitalist one."[33] In addition, Arab countries had borrowed the term "socialism" from Western political thought to define something rather different: contrarily to Marxism, Arab socialism rejected class struggle and the abolishment of private property; it emphasised the role of the state instead of aiming at its dissolution; and it explicitly referred to Islamic values rather than to atheism and materialism. This kind of socialism, whose moral foundation lay in the Islamic religion and whose political practice was secular was, indeed, an original experiment; however, its failure to transform post-colonial Arab states into fully industrialised countries and the paralysis of both administration and private initiative owing to the bloated (and corrupted) bureaucracy, together with the increasingly burdening police control, resulted in the dismissal of Arab socialism.[34]

Therefore, some have argued that the technical and welfarist (i.e. populist) practices just described are better defined as étatist rather than socialist. According to Mourad Magdi Wahba, the étatist system is "characterized by the classic duality of roles taken on by a modernizing state [:] … the welfare and the developmental roles."[35] For instance, not only did Egypt strengthen the police and the armed forces, especially as a result of the Anglo-French and Israeli invasion of 1956, but it also immediately took measures of economic development and was soon imitated by other countries in the region, as will be discussed below. These measures included the 1952 land reform, the project of the Aswan High Dam, the inauguration of the Helwan Iron and Steel Complex in 1954, the nationalisation of foreign property during the Suez invasion and also of private banks, factories and enterprises, and the first five-year plan in 1960. To be sure, even after the first reforms in the 1970s, Arab state apparatuses continued to play a central role. In Egypt, the 1974 *infitah* (open door policy) instituted by Anwar Sadat simply shifted the State's focus from economic and industrial development to reliance on subsidies and social welfare to maintain legitimacy and satisfy the material needs of the people. One could equally wonder whether the considerations made above on étatism and state capitalism are also valid for countries of real socialism, although this goes, unfortunately, beyond the aim of this work.

The rest of this chapter focuses on the years of "socialist" management, on the growth of State power, and on the role of the State as the centre of the drive for economic advance. After that period, which extends approximately until the 1970s, structural adjustment was introduced to "correct" economic and political systems, and the way this occurred in Egypt in particular will be examined in Chapter 4.

[33] J. Waterbury, *The Egypt of Nasser and Sadat: The Political Economy of Two Regimes*, Princeton University Press, 1983, p. 17.
[34] M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., pp. 130-131.
[35] M. M. Wahba, *The Role of the State in the Egyptian Economy: 1945-1981*, UK: Ithaca Press Reading, 1994, p. 20.

State power, economic development and welfare in the Arab social contract

The construction of large public sectors and the reliance on state-led planning amidst scarcity of capital was the strategy that countries in the MENA region adopted to address the pressing social question of the post-independence period.[36] As Gilbert Achcar stressed, "the state went so far as to largely substitute itself for the private sector by means of both far-reaching nationalization programmes and massive public investment."[37] With the coup that brought to power Colonel Gamal Abdel Nasser in 1952, Egypt was the first country to experience bureaucratic expansion, creating a new "state within the state",[38] and it was soon imitated by its Arab neighbours. According to Saad Eddin Ibrahim,

> following Egypt's example under Nasser, peoples of the Arab world were led to believe that the state would grant or provide consolidation of newly obtained independence, achieve rapid economic growth (through industrialization), institute social justice, march toward Arab unity, liberate Palestine, and maintain cultural authenticity. All of this would be achieved in return for suspending liberal Western-type democracy, at least for a while. Public policies, central planning, and command economics became the order of the day. State organs multiplied. State bureaucracies grew in size ten-times, on average, between 1950 and 1980.[39]

The significance of the role and size of state apparatuses can be better appreciated by considering a number of components of state expansion: the public sector and the armed forces, government expenditure (including education, welfare, and subsidies), land reform, policies of nationalisation and industrialisation, and increased state control and supervision.

The expansion of the state apparatus and government expenditure

Numbers concerning employment in the public sector are particularly eloquent: between the 1950s and the 1960s, the people employed in the bureaucracy and the public enterprises in Egypt rose from some 350,000 to over 1,000,000,[40] while the armed forces saw an increase in soldiers, sailors and pilots from 80,000 to some 180,000.[41] The same process of expansion also occurred in Tunisia, Algeria, Iraq and Syria. In this last country, it was the result of both the export of the Egyptian economic and political system during the brief period of the United Arab Republic (UAR) and of the statist policies of the Ba'th

[36] For a comprehensive analysis of the development of Arab economies in the last half century, considering fundamental aspects such as the Islamic model of economic development, reform, economic integration and the influence exerted by international relations, political regimes, and the relationship between state and society, see A. Romagnoli, L. E. Mengoni, *The Economic Development Process in the Middle East and North Africa*, Routledge, London and New York 2014; See also C. Schayegh, '1958 Reconsidered: State Formation and the Cold War in the Early Postcolonial Arab Middle East', *International Journal of Middle East Studies*, vol. 45, no. 3, 2013.
[37] G. Achcar, *The People Want: A Radical Exploration of the Arab Uprising*, Berkeley, 2013, p. 69.
[38] A. Abdel-Malek, *L'Egypte, société militaire*, Editions du Seuil, Paris 1962.
[39] S. E. Ibrahim, 'Arab Social-Science Research in the 1990s and Beyond: Issues, Trends, and Priorities', in E. Rached and D. Craissati (eds.), *Research for Development in the Middle East and North Africa*, IDRC, 2000, p. 118.
[40] N. N. Ayubi, *Bureaucracy and Politics in Contemporary Egypt*, Ithaca Press, London 1980, p. 189.
[41] E. Picard, 'Arab military in politics: from revolutionary plot to authoritarian state', in A. Dawisha and I. W. Zartman (eds.), *Beyond Coercion: The Durability of the Arab State*, Croom Helm, London 1988, p. 119.

party. Here, between the 1960s and the 1970s the number of state employees rose from 34,000 to some 170,000, plus another 81,000 in the public sector and some 180,000 men in the armed forces.[42] In Kuwait, increased oil revenues led to an expansion in infrastructure, the setting up of departments and staff, and the strengthening of the municipality of the city of Kuwait; in addition, the number of official and employees in government service rose from 44,454 in 1965 to 104,794 in 1973.[43] A different trend could be observed in Saudi Arabia, where the private sector employed the great part of the labour force – 89 per cent of the total already in 1966.[44]

Another illustration of this process of state expansion is provided by data on the proportion of government expenditure to GDP in the decades immediately following independence. Quite strikingly, government expenditure in Egypt grew from 18.3 per cent of GDP in 1954/5 to 55.7 per cent in 1970, including defence.[45] Between 1960 and 1970, the proportion rose from 28.4 to 44.2 per cent in Iraq, from 23.5 to 37.9 in Syria, and from 20.7 to 40.7 in Tunisia.[46] Overall, by the 1970s government expenditure in the Arab region averaged about 42 per cent of GDP, around 12 per cent more compared to other developing countries.[47] The increase in public spending reflected the expansion in the security, economic and social functions of the state, the large increase in population, the expansion in resources, inflation, and the change in the economic systems. Because of extensive nationalisation measures, in fact, the income and expenditure generated by productive assets managed by governments appeared in the unified budget, whereas before the "socialist" transformation they were private budgets in the business sector. The problem with this trend was that domestic resources mobilised through savings, taxation and the surplus obtained by public sector establishments were not sufficient to meet investment requirements, so many governments had, to varying degrees, to resort to foreign loans and grants, thus accumulating foreign debt and putting strain on the balance of payments. By 1975, foreign financing accounted for over 35 per cent of total investment in Egypt.[48] Such strain could have been avoided through a more relaxed investment and development programme, but this would have only brought some comfort in the balance of payments in the short term at the expense of the longer term; this was also the kind of choice that most developing countries had to face unless they had lucrative resources to export in large quantities. It would have been the case of Iraq, if its development achievement had not been so modest compared to its abundance of endowments, to the extent that an Iraqi economist summed up this striking contrast as one between the richness of the country and the poverty of the people.[49] As for Gulf countries, the magnitude of earnings deriving from oil and, in the case of Saudi Arabia, from pilgrimage, accounted for the comfort

[42] N. N. Ayubi, 'Arab bureaucracies: expanding size, changing roles', in A. Dawisha and I. W. Zartman (eds.), *Beyond Coercion: The Durability of the Arab State*, op. cit., p. 19.
[43] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, Routledge, New York 2015 [1978], pp. 85, 97.
[44] *Ibid*., p. 140.
[45] C. H. Moore, 'Authoritarian politics in unincorporated society: the case of Nasser's Egypt', *Comparative Politics*, VI/2 (Jan. 1974), Table 2 p. 199.
[46] C. H. Moore, 'The consolidation and dissipation of power in unincorporated societies, Egypt and Tunisia', mimeo, quoted in R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., Table 2.1 p. 25.
[47] A. Ali, S. Fan (eds.), *Public policy and poverty reduction in the Arab region*, Arab Planning Institute, Kuwait 2007, p. 5.
[48] Ministry of Planning, Preliminary Follow-Up Report on The National Plan for the Year 1975, p. 21, quoted in Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., p. 371.
[49] M. S. Hassan, *Dirasat fi-l-Iqtisad al-'Iraqi* [Studies in the Iraqi Economy], Beirut, 1966, p. 308.

experienced in the balance of payments, unlike most developing countries. Oil exports contributed to an average of 90 per cent of Saudi Arabia's foreign exchange earnings, and pilgrimage, although a very mall source of earnings in comparison, was second in size.[50] The abundance of revenues has, in turn, permitted large volumes of imports and a noteworthy increase in public expenditure. In Saudi Arabia, the size of the general budget has risen from l,410 million Saudi Riyals in 1958/9 to 22,810 million Saudi Riyals in 1973/4 - a net increase of 1,518 per cent over the base year. However, there is a downside: the risk that the economy be "choked" by funds, since the public sector could not possibly expand its ability to use increased development expenditure without technical and administrative skills, which grow much slower.[51]

An important component in government expenditure was increased spending on welfare. All Arab countries took measures aimed at the equalization of income and the promotion of greater social justice. Indeed, development was the result of a larger measure of distributive justice made possible by land reform and nationalisation (which are discussed below), and more precisely by the widening of the base of land ownership through land redistribution, through changes in taxation and tax collection, and thanks to the availability of a larger volume of resources in the hands of governments. Social protection, healthcare, education and subsidies were the main concerns of welfare systems. For many states, education was the most immediate way to reduce pre-existing class privileges and to make citizens identify with the nation-state's imagined community. The number of people enrolled at all levels of education rose in Egypt from 1,900,000 in 1953/4 to 4,500,000 in 1965/6 and 5,900,000 in 1972/3. Among them, during the same years the number of university students rose from 54,000 to 195,000.[52] In Syria, the proportion of children enrolled in secondary education rose from 16 to 48 per cent between 1960 and 1975, and in Iraq from 19 to 35 per cent.[53] This same process started a few years later in North Africa; in Algeria, for instance, the number of children in secondary schools rose from 164,000 in 1966/7 to 742,000 during the following decade.[54] In Kuwait there were a mere 3,962 pupils – of which 985 females - in government schools in 1946/7, corresponding to around 4.4 per cent of the population; by 1973/4, the number of pre-university students had risen to 169,417 – of which 76,046 females, and the proportion of the population in schools had risen to 18.7 per cent.[55] To be sure, such an increase in school and university enrollment resulted, in densely populated countries like Egypt, in lowering educational standards: the number of students grew in fact faster than that of teachers, limiting the scope of interaction between them, and school facilities such as laboratories and libraries came under serious pressure. In general, quantitative gains were made at the expense of the quality of education.[56]

[50] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., p. 170.
[51] *Ibid*., pp. 168-169.
[52] A. Abdalla, *The Student Movement and National Politics in Egypt 1923–1973*, Al-Saqi Books, London 1985, Tables 6.1 and 6.2, p. 102.
[53] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., p. 26.
[54] M. Bennoune, *The Making of Contemporary Algeria 1830–1987*, Cambridge University Press, Cambridge 1988, Table 9.3, p. 225.
[55] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., pp. 93-94.
[56] *Ibid.*, p. 370.

For what concerns health care, in mid-1970s Egypt was still making considerable efforts to eradicate diseases such as bilharziasis (a parasite infection by a trematode worm acquired from infested water), malaria and tuberculosis. In addition, in spite of concrete improvements in the number of hospitals and health facilities established both in urban centres and in the countryside, and in spite of the steep rise in the number of doctors and nurses, service provision was still considered inadequate if a satisfactory standard of service was to be provided to the population. Another established effort has been that of family planning, which resulted in a drop in the rate of natural increase in population, down to about 20 per thousand for 1971. Cheap urban housing was another area of social concern; it helped provide accommodation for many in the lower and intermediate rungs in the civil service, even if overcrowding remained a problem in the big cities.[57]

As for Syria, it ranked quite high in the Arab region in terms of socio-economic development, especially for what concerned its literacy rate. By contrast, the index of health development (which considers as indicators the number of doctors, pharmacists, nurses and hospital beds per population unit, nutrition, and life expectancy at birth) placed Syria at the bottom of the list of Arab countries.[58] However, improvements have been observed in preventive medicine, sanitation and general hygiene, both in urban centres and in the countryside, also thanks to progress in the supply of piped water, electric power, and the laying of sewerage systems. In addition to the provision of public services (education, health, recreation, cultural institutions, housing and urban development) at subsidised prices or free of charge, social justice was pursued through the application of progressive taxation and egalitarian distributive policies that aimed at improving the returns to labour and reducing rents.[59] In Iraq, government effort in welfare and social protection has been outstanding by regional standards, particularly in the fields of education, public health, housing and community facilities. Indeed, it is precisely the existence of educated and trained people that, together with the availability of resources (oil, water, and land without a heavy population pressure), made Iraq's erratic and slow pace of development all the more regrettable.

The Kuwaiti government diverted a large part of oil revenues to development work, including investment in infrastructure, desalination of sea water, schools and hospitals, public buildings and popular housing. Education and health services were free for everybody, while electricity, water and housing were heavily subsidised. In addition, large revenues enabled the government to attract expatriate skilled manpower to contribute to the implementation of development and welfare policies.[60]

In Tunisia, the concern with education has characterized both the colonial period under pressure of the Destour party and independent intellectuals, and the era of independence under the lead of Bourguiba who, in 1957, defined education as "one of the most urgent tasks of the state. It is the fundamental foundation on which the structure of the state reposes firmly. In fact, education is the factor which guarantees the conditions of progress and of general well-being and which ensures a decent level

[57] *Ibid*., pp. 370-371.
[58] *Ibid*., p. 231.
[59] *Ibid*., pp. 275-276.
[60] *Ibid*., pp. 88, 93-96.

for everybody."[61] In the field of health sanitation, instead, Tunisia had to face the problem of replacing foreign medical personnel who had left both countries after the independence. For example, the number of doctors (in the private and public sectors) went from 434 (of which 30 per cent Tunisians) in 1946, to 548 in 1956 to 1,004 (mostly Tunisians) in 1971.[62]

As for Saudi Arabia, health services are offered by both the government and large establishments such as oil companies that provide them to their employees and their families. Between 1958/9 and 1973/4, the budget of the Ministry of Health has risen from 59.6 million to 499 million Saudi Riyals; however, health conditions still allowed for a great scope of improvement, and the ratio between physicians and inhabitants (one to every 4,000) was still inadequate.[63] In the field of education, the main deficiency were related to the much higher illiteracy among females than among males, the content of education, and the level and quality of training.[64] Other government activities in the field of social affairs regarded labour legislation and popular housing, although house-building activities have mostly interested urban centres and were undertaken by private individuals in the upper-middle and higher-income brackets.[65]

Agrarian reform

Expanded administrative control can also be observed in agricultural policies. In spite of the increased industrialisation and high degree of urbanisation reached at the beginning of the 1970s compared to the mid-forties, the agricultural sector has occupied the first place as a contributor to national product in Arab countries until 1973, with the sole exceptions of Libya, Lebanon, Kuwait and Saudi Arabia. Such dependency on the agricultural sector, however, was accompanied by a number of structural and operational weaknesses: a regional shortage and seasonality of rainfall, resulting in the drastic limitation of cultivable land; limited endowment in internal water bodies; and increasing pressure on land resources and foodstuffs due to population increase. These shortcomings were compounded by low labour productivity, backward techniques, inadequate investment in land and water resources, and the resulting low yields and small income for a large part of the rural population. Furthermore, the marked bias of decision makers in favour of industrialisation resulted in a generalised sluggishness of food production that, coupled with the increasing population, made the necessity of food imports all the more pressing, at the expense of badly needed foreign exchange resources. Thus, according to Sayigh,

> the twelve countries included in this study [Iraq, Kuwait, Saudi Arabia, Jordan, Syria, Lebanon, Egypt, Sudan, Libya, Tunisia, Algeria, Morocco] imported $2.8 billion worth of food products in

[61] H. Bourguiba, quoted in A. Bsais, C. Morrisson, *Les Couts de l'éducation en Tunisie*, Centre d'Etudes et de Recherches Economiques et Sociales, Tunis, Cahiers du CERES, Serie Economique No. 3, June 1970, p.34.
[62] For the years 1946 and 1956, see *Annuaire Statistique de* la *Tunisie* 1956, p. 27; for the year 1971, see UN *Statistical Yearbook 1973*, p.719.
[63] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., pp. 139, 175.
[64] *Ibid*., pp. 138, 172-173.
[65] *Ibid*., p. 177.

> 1973, which constituted 19.4 per cent of their total imports of $13.9 billion for the year. The imports almost doubled in 1974, reaching a value of $24.3 billion. They rose further still to about S37 billion for 1975, with food imports totalling about $4.5 billion, or some 12 per cent of the total.[66]

However, these shortcomings should not hide the advances made in the extension of cultivated area, the construction and improvement of irrigation systems, and the introduction of land reforms. In 1950, sixty per cent of the Egyptian and Syria peasantry was landless, while Iraq experienced several peasant revolts.[67] Various Arab regimes promised to step in, from Egypt in 1952 to Tunisia in 1957, from Iraq in 1958 to Syria and Libya, respectively in 1963 and 1969. In Egypt, for instance, the first measure of agrarian reform was incorporated in Decree 178 of 9 September 1952, and further amended in the following years. According to El Ghonemy, a FAO specialist in the field of reform,[68] the law transformed the power structure in the country by eliminating the base of power of most traditional politicians; it found room for private ownership in land, albeit in a socialist framework; it removed the possibility of exploitation by landlords of tenants and other peasants; it enabled the *fellahin* (farmers, peasants) to participate more actively in political life; it led to greater use of fertilisers, insecticides and improved seeds; and it led to a more equitable distribution of income through land redistribution. Overall, El Ghonemy considered that the reform's achievements have been noteworthy, especially if compared with the experiences of other countries. In Syria, for example, agriculture as such received less attention and investment compared to irrigation works. This, together with severe fluctuations due to the irregularity of rainfall over the years, is what accounted for the lowest record of growth for Syrian agriculture, among all the sectors, between 1952 and 1973.[69]

Rather significantly, the social origins of the new elites were rural or provincial, as in the case of Nasser and Hafez Assad. Their aim, however, was not a peasant revolt, but a revolution to be carried out by the bureaucratic elites, who took large amounts of rural land into public ownership, mainly to eliminate the power base of landlords, who were politically influential forces. The proportion of expropriated cultivated land was a seventh in Egypt following the land reforms of 1952 and 1961, a fifth in Syria, and almost half in Iraq;[70] however, only part of those lands was redistributed to peasants, while the rest remained under state control. Democracy was in fact seen as divisive in a period where the priority was state consolidation. As reported by Roger Owen, Nasser once told an Indian journalist:

> Can I ask you a question: what is democracy? We were supposed to have a democratic system during the period 1923 to 1953. But what good was this democracy to our people? I will tell you. Landowners and Pashas ruled our people. They used this kind of a democracy as an easy tool for the benefits of the feudal system [...] [T]he peasants would cast their votes according to the instructions of their masters [...] I want to liberate the peasants and the workers, both socially and economically, so

[66] *Ibid*., p. 671.
[67] K. Harris, 'Making and Unmaking of the Greater Middle East', *New Left Review* 101, Sep.-Oct. 2016, pp. 14 ff.
[68] R. El Ghonemy, 'Economic and Institutional Organization of Egyptian Agriculture Since 1952', in P. J. Vatikiotis (ed.), *Egypt Since the Revolution*, Routledge, New York 2013 [1968], pp. 70-80.
[69] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., pp. 244-246.
[70] R. Owen, 'Economic aspects of revolution in the Middle East' in P. J. Vatikiotis (ed.), *Revolution in the Middle East and Other Case Studies* (London: George Allen & Unwin, London 1972), Table 1, p. 53.

> that they can say "yes". I want the peasants and the workers to be able to say "yes" and "no" without this in any way affecting their livelihood and their daily bread. This in my view is the basis of freedom and democracy.[71]

To be sure, agrarian reforms have indeed provided land to hitherto landless peasants, resulted in more equitable and secure tenure relations (e.g. rents, length of lease), and extended agricultural services (cheap and supervised credit, marketing, research). However, a number of factors have limited the rise in productivity and in production, including the relative modesty of the number of people benefitting from land redistribution; difficulties in efficient management, expropriation and distribution of the land covered by the reform, as in Iraq and Syria; limited cultivable and cultivated land, as in the case of Egypt and Jordan; and the insufficiency and scarce experience of experts to guide the farmers in their work.[72] In addition, as Richards and Waterbury have pointed out, land reforms have at times tended to redirect the agricultural surplus and to impoverish a rural population already in serious difficulties, which was detrimental to the objective of expanding the domestic consumer market.[73]

Land redistribution occurred on different lines in Kuwait: since the government wanted part of the oil revenues to go directly into private hands, a policy of land purchase or acquisition was introduced. It involved government purchase of land for the purpose of infrastructure building, construction of public buildings and housing for low an medium income groups, industrial sites and public utilities.[74] However, the policy ended up attracting strong criticism, as expressed in a 1965 World Bank report:

> The Government buys land at highly inflated prices for development projects and for resale to private buyers [...]. Whatever the political or developmental justifications for this practice, the prices fixed by the Government for these transactions and the small amount thus far collected on the resale of the land make the public land transactions a rather indiscriminate and inequitable way of distributing the oil revenues. In addition, probably the largest share of these funds are invested abroad, so that the land purchase program fails to accomplish its main objective of invigorating the Kuwait economy.[75]

Development planning

Further opportunities for State power expansion came with programmes of nationalisation and large-scale industrialisation as a strategy of import substitution. It was in fact believed that state involvement in the economy was justified by the need for rapid development and an equitable redistribution of the national income, which provided a notable source of legitimation for Arab regimes.

Nationalisation was considered, together with agrarian reform, as the basis of their plans for social justice by countries like Egypt, Syria, Iraq, Algeria and Libya, and to a lesser extent Sudan and

[71] R. Owen, 'The Practice of Electoral Democracy in the Arab East and North Africa', in E. Goldberg, R. Kasaba, J. Migdal (eds.), *Rules and Rights in the Middle East: Democracy, Law, and Society*, Washington 1993, p. 21.
[72] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., p. 684.
[73] A. Richards, J. Waterbury, *A Political Economy of the Middle East*, Westview 1990, pp. 149-152.
[74] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., pp. 99-100.
[75] IBRD, *The Economic Development of Kuwait*, The Johns Hopkins Press, Baltimore 1965, p. 4.

Tunisia. Since the beginning of the 1960s, these countries have taken measures aiming at transferring the ownership of banks, insurance companies, transportation facilities, large industry and public utilities to the government. In Algeria and in Tunisia many of these measures had political motivation, since most of the establishments nationalised were owned by the French. Under Nasser, massive "Egyptianisation" measures started with the nationalisation on 26 July 1956 of the Suez Canal Company, and peaked in 1961 with the nationalisation of big establishments in the finance, insurance, industry, transport, foreign trade, and distribution sectors. This programme was paralleled in Iraq and, partly, in Syria, where it hit the Syrian capitalists who had been no less sincere and active in resisting the French Mandate and striving for independence than any other group.[76] One country where socialism was applied in a considerably different way was Libya. Despite having nationalised banks, insurance companies, public transport and part of the construction and manufacturing sectors, the government recognised the role of the private sector and sanctified private ownership, thus leaving the economic system largely unchanged.[77]

Arab countries also developed plans in which industrialisation had a key role, in part to lessen their dependency on agriculture (on oil, for Saudi Arabia), and which placed more emphasis on "supporting sectors" such as transport and communications, housing services, public services and organisational and technical government services. Much of the investment went into import-substituting strategies, although in the early 1970s increasing funds in oil countries were directed towards export-oriented petrochemical industries, while Egypt, Lebanon and Algeria were the leading countries for the variety of their industrial products, with Egypt and Algeria accounting for more heavy industry than Lebanon.[78]

Syria developed various Plans, in which the private sector maintained a larger role to play compared to other Arab countries. An expanded industrialisation project was started in 1963, when yet another coup reinstated the trend towards the socialist transformation that had been interrupted with the dissolution of the UAR. As a result, all industries registered expansion in their output in the period 1965-73, with an overall growth of 77 per cent in 1973 over 1965.[79] In 1964 Iraq, a series of measures aligned the country's system with Egypt, intensifying the process of socio-economic change started in 1958 with the rearrangement of the social and political structure and of the pattern of ownership of the means of production between the public and the private sectors (as in the case of banking, insurance and large industry) and within the private sector itself (as in the case of agricultural land following the land reform).[80]

Although they were all but socialist, Gulf countries like Saudi Arabia and Kuwait included planning and industrialisation strategies among their policies. Overall, Saudi Arabia's industrial policy stipulated that the industrial sector should fall within the domain of private enterprise, although public and joint private-public partnerships were possible where deemed necessary as a transition to the private

[76] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., p. 242.
[77] *Ibid*., p. 434.
[78] *Ibid*., pp. 677-678.
[79] *Ibid*., p. 243.
[80] *Ibid*., p. 19.

sector. Similarly, Kuwait's socio-economic system emerged as one of joint public-private enterprise, although more concerned with a welfare state philosophy.[81] The first Saudi plan appeared in 1970 followed by another one in 1975, and they both aimed at increasing the growth of GDP, developing human resources and diversifying the economy to reduce dependence on oil.[82] However, an acceleration in industrialising efforts had already occurred in the early 1960s thanks to a number of institutional measures and acts, including the Regulation for the Protection or Encouragement of National Industries (including incentives such as duty and tax exemptions, the provision of cheap land sites and protective measures against foreign competitive products); the establishment of the General Petroleum and Mineral Organization, Petromin; and the Foreign Capital Investments Regulations, to encourage the inflow of foreign capital. However, in the early 1970s industry in Saudi Arabia was still largely primitive and challenged by difficulties such as the shortage of skilled manpower, insufficient legislation and regulations concerning incentives and contractual relations, the cost of imported raw materials, the general preference for imported goods, and the inadequacy of certain facilities like electricity, roads, and means of communication.[83] In the same period, and in spite of the absence of taxes and custom tariffs and the abundance of petroleum, funds and foreign exchange, Kuwait suffered from similar handicaps. However, the situation started improving with the setting up of new industries, the expansion in investment and employment, and the establishment in 1973 of the Industrial Bank of Kuwait.[84]

As for Egypt, its first Five-Year Plan had for its base the year 1959/60, and GDP at constant prices was expected to double, with a projected annual growth of 7.2 per cent on average. However, a divergence was later registered between planned and actual results: instead of 7.2 per cent, the actual annual rate of growth was around 5.5 per cent.[85] This deviation was undoubtedly due to time constraints in elaborating the plan, but even more to the fact that the decision concerning the average rate of growth was not left to the planners and to considerations of the economic reality and potential of the country; according to the planners, in fact, the rate would have been in the range of 3-4 per cent, while the President's political decision involved a considerably higher rate. Other difficulties encountered related to the pace of development, which was too fast or the economy and for the reservoir of skilled manpower, resources and experience to be fully digested; to the fact that the private sector was not made as full a partner in the planning process as it should have; to the underestimation of delays in delivering machines and spare parts, coupled with the overestimation of own performance; and to an underestimation of foreign exchange needs deriving from the ambitious Plan, according to which in the target year there would have been a surplus on current account in the balance of payments of about LE 40.4 million, which

[81] *Ibid.*, p. 113.
[82] *Ibid.*, p. 178.
[83] *Ibid.*, pp. 150-154.
[84] *Ibid.*, pp. 103-105.
[85] B. Hansen, 'Planning and Economic Growth in the UAR 1960-5', in P. J. Vatikiotis (ed.), *Egypt Since the Revolution*, op. cit., pp. 19-39.

would be used for repayment of foreign debt, while in fact there was a deficit in that year of LE 75.9 million.[86]

In spite of such criticism and of the fact that the planned average rate of growth of 7 per cent annually was indeed too ambitious, it should not be overlooked that the country performed better than the planning experts had expected (5.5 per cent instead of 3-4 per cent), also notwithstanding unforeseeable non-economic setbacks such as the dissolution of the UAR in 1961, the intervention in the civil war in Yemen in 1962,[87] and the 1967 war against Israel.

Control, supervision and ideological hegemony

The expansion of state power also occurred in terms of increased control and supervision.[88] To monitor a large state apparatus, a first strategy for the regimes was to suppress independent political parties and create political "monopolies", such as the Neo-Destour in Tunisia and the Arab Socialist Union in Egypt, while banning or reorganizing existing unions and associations (for students, women, and professional categories such as journalist, doctors, and lawyers), so as to shape the way in which their members could present their demands and be politically represented at the national level. Another way to strengthen state control was the extension of supervision on the educational and legal systems and on the religious establishment to prevent the regime's opponents from exploiting the political spaces provided by those systems. In the field of education, the regimes created national curricula and framed students political activity in government-controlled organizations; courts were brought under control, judges carefully selected, and the system's functions of adjudication and enforcement were largely delegated to the military, the internal security forces, the managers of state enterprises or the village councils.

As for religion, it was (and still is) the main ideological and cultural link between the government and the people; therefore, while explicitly or implicitly asserting the primacy of the political over the religious, no regime could have abandoned Islam without alienating the majority of the population. Nasser proclaimed that Arab socialism was rooted in Islam, as they shared the same call for equality, and criticized its opponents (mainly the Wahhabi Saudi regime[89]) in these terms:

[86] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., pp. 346-353.
[87] M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., pp. 140-142.
[88] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., pp. 27-30.
[89] Erroneously considered as a contemporary movement, Wahhabism emerged in the Arabian Peninsula in the XVIII century, and gained its legitimacy from a verbal agreement reached by *shaykh* Muhammad Ibn 'Abd al-Wahhab (1703-1792), founder of the Wahhabi doctrine, and Muhammad Ibn Sa'ud, founder of the dynasty that in 1931 gave its name to Saudi Arabia. According to the agreement, which is considered the first case of separation of the spiritual and the secular powers in Islamic history, Ibn 'Abd al-Wahhab could appoint *imams* and judges, and control religious education; meanwhile, Ibn Sa'ud could exert temporal power, which back then was limited to the appointment of governors and war waging. Furthermore, with the Agreement Ibn Sa'ud pledged to follow Ibn 'Abd al-Wahhab's doctrine, under the condition that the *shaykh* respect the pact and the prince be able to claim tax revenues for himself. Wahhabism emerged on the eve of the crisis of modern Islam, as a reformist sectarian movement strenuously opposed by the official religious establishment and traditionalism, held responsible for the decline of Islam. This kind of reformism preached the return of Islam to its early roots, an aspect shared with Salafism. Later, after World War II, Wahhabism declared its hostility towards communism and Arab nationalism, and in the 1970s it compromised itself with radical Islam to the point of financing the Talibans; in fact, similarities with radical Islam existed and were especially expressed through the metaphore of Islam as "exiled" from its own homeland. Most recently, the movement quietened down and affirmed itself as a neo-traditional authority aspiring to a global role. According to Hamadi Redissi, by so doing Wahhabism, a quasi-medieval sect, managed in a number of cases to seize and substitute itself with Islam. See H. Redissi, *Le pacte de Najd. Comment l'islam*

> Our enemies say that socialism is infidelity. But is socialism really what they describe by this term? What they describe applies to raising slaves, hoarding money and usurping the people's wealth. This is infidelity and this is against religion and Islam. What we apply […] is the law of justice and the law of God.[90]

Still, the regimes needed a way to secure the support or at least the tacit consent of the religious establishment. Two important strategies in this sense came from the region's nineteenth-century past: firstly, the Ottoman practice of paying the *ulama* official salaries, creating ministries for managing their properties, and creating secular education and legal systems to challenge their influence; secondly, the use of modernist Sunni Islam to obtain legitimation for state policy. Examples of the first type of policy were Algeria's establishment of a ministry of traditional education and religious affairs and the fact that Egyptian *imams* (prayer leaders) were appointed and paid by the Ministry of Awqaf (Endowments, religious Affairs). Examples of the second strategy were Nasser's nationalisation of al-Azhar University, the oldest Islamic university and the most important religious authority, and his ability to obtain a *fatwa* (religious opinion) to justify many of his policy decisions.[91] In other words, involving the government in Islamic affairs is what allowed him to gain religious support for socialist policies such as land reforms and nationalisation programmes. In addition, rules were introduced to make membership in religious parties and association, such as the Egyptian Muslim Brotherhood, illegal, and these policies seemed to work at least until the 1970s, when they started to come under increasing attack. If what was applied by Nasser's regime was, as he claimed, "the law of justice and the law of God", its failure to live up to the people's expectations for the future has contributed to driving them towards the search for the real and original law of God to make up for their frustration and dismay.

Conclusive remarks

At this stage, it is important to attempt an evaluation of the overall performance of Arab countries in the post-independence years. As far as the economic performance is concerned, by the early 1970s it was very low compared to Western and Soviet standards, but also with respect to other middle-income countries, especially those of East Asia. Before October 1973, GNP per capita averaged around $400-425 for the region; it is true that in 1974 it had more than doubled, reaching $893, but only as a result of the steep rise in oil prices and revenues.[92] Both figures are, anyway, highly deceptive as they represent the *average* value of GNP per capita for the Arab region, thus hiding the inequality existing between oil and non-oil countries. Soaring oil prices in the 1970s could have been used to fund a region-wide

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sectaire est devenu l'islam, Seuil, Paris 2007; see also, by the same author, 'Il volto mutante del Wahhabismo', *Oasis*, 12/06/2015.

[90] Quoted in J. L. Esposito, *Islam and Politics*, Syracuse University Press, 1998 (4th ed.) [1984], p. 135.

[91] *Ibid*., pp. 133-134.

[92] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., p. 680.

industrialisation strategy, but that capital largely ended up in financial centres in London and New York, partly benefitting Beirut owing to its function of regional entrepôt. This contributed to the scarcity of foreign exchange, since its other sources (migrant remittances, oil-money transfers and agrarian surpluses) were all but stable and depended on fluctuations in the world economy.

Equally disappointing results can be observed when considering the physical impact of development, despite the considerable efforts taken and a statistically satisfying rate of growth. This was mostly due to the already mentioned fast increase in population, especially in countries like Morocco, Egypt and Sudan, coupled with the profound inequality in distribution inside most countries, particularly resulting from the sharp urban bias that sat at the core of the new social compacts.[93] Although land reforms improved living standards in the countryside, many people moved to the cities in search of higher wages and of the benefits deriving from increased investments in welfare and social protection. This led to a relative "depeasantization" of the region[94] and to increased difficulties to absorb these masses into the state apparatus. Fewer employment opportunities were available and schools, health facilities, urban transport, housing, water and power supplies fell short of the growing needs of the populations. As a response, many states introduced subsidies and price ceilings for basic goods and fuel. Although inefficient, regressive in absolute terms of distribution but progressive in terms of household-consumption effects, subsidies were the only universal policy of social protection that could be realised by states unable to make their populations "legible" enough to develop more targeted anti-poverty measures.[95] The problem with this response was that, with a constantly increasing population, the relative weigh of subsidies in state budgets rose, too. Egypt, for instance, spent 20 per cent of its budget on food subsidies in the late 1970s.[96] Thus, when countries like Egypt and Tunisia tried to raise the prices of subsidised good between the late 1970s and the early 1980s, the people protested to defend what they understood as citizenship rights.

Although the state-led social contract provided rapid upward social mobility, high levels of unemployment or underemployment were (and still are) among the most pressuring and worrying issues in the Arab region. A particular case was that of Kuwait, where about two-thirds of the total labour force consisted of non-Kuwaitis and official statistics on labour force contained the category in 'not in need', that is, able to work but with no desire to work– corresponding to 60.5 per cent of the Kuwaiti labour supply in 1965.[97] The advances made in investment, industry and development have proved insufficient to absorb the increasing labour force. Attempts by governments to address the situation have mainly resulted in a vast expansion in the civil service by hiring whole graduating classes in complete disregard of job

[93] K. Harris, 'Making and Unmaking of the Greater Middle East', op. cit., p. 17.
[94] F. Araghi, 'Global Depeasantization, 1945–90', *Sociological Quarterly*, vol. 36, no. 2, March 1995.
[95] ILO, *Rethinking Economic Growth: Towards Productive and Inclusive Arab Societies*, Washington, DC 2012, Ch. 5. Problems with data collection in the Arab region have also been reported by ESCWA, concerning for instance the partiality or lack of data on labour market indicators such as the number of employed by sector, youth/adult and sex, the employment rate of vulnerable categories like persons with disabilities, estimates of informal employment, contribution to social security, and unionization rates (*Labour Markets and Labour Market Policy in the ESCWA Region*, Integrated Social Policy Report IV, Beirut 2012, Annex Table 1 pp. 75-76).
[96] F. Iqbal, *Sustaining Gains in Poverty Reduction and Human Development in the Middle East and North Africa*, Washington, DC 2006, pp. 57–69.
[97] Y. A. Sayigh, *The Economies of the Arab World. Development since 1945*, op. cit., pp. 89, 96.

requirements, which led to increased bureaucratic elephantiasis and inefficiency. It is noteworthy that this happened because appointment was no longer considered as a response to employment needs, but rather as a welfare measure.[98] Similarly to other late developers in the twentieth century, Arab countries had adopted a welfare model that Kevan Harris defined as "Bismarckian", that is, as applied by late-nineteenth-century Germany, which linked welfare access to occupational status, mainly in the public sector or in state-linked industries and organisations.[99] However, since only a small segment of the population enjoyed such cover, this welfare system tended to neglect the informal sector – self-employed individuals or people who work in unregulated jobs and therefore do not contribute to social security –, a phenomenon widely spread in developing countries and that in the Arab region increased even more since the early 1980s owing to the rapid growth of the labour force, accelerated urbanisation, a contraction in public sector employment, and institutional constraints for establishing new businesses.[100] **Table 1** provides data on informal employment in Arab North African countries to show the extent of this phenomenon.

Table 1. Employment in the informal economy as a percentage of total non-agricultural employment by five-year periods in Northern Africa

Regions/ Countries/ Years	1975–1979	1980–1984	1985–1989	1990–1994	1995–1999	2000–2004	2005–2009	2010–2014
Northern Africa	**39.6**	**-**	**34.1**	**-**	**47.5**	**47.3**	**53.0**	**50.2**
Morocco	-	56.9	-	-	44.8	67.1	78.5	70.1
Algeria	21.8	-	25.6	-	42.7	41.3	45.6	40.7
Tunisia	38.4	35.0	39.3	-	47.1	35.0	36.8	40.2
Egypt	58.7	-	37.3	-	55.2	45.9	51.2	49.6

Source: J. Charmes, 'The informal economy: definitions, size, contribution and main characteristics', in E. Kraemer-Mbula, S. Wunsch-Vincent (eds.), *The Informal Economy in Developing Nations. Hidden Engine of Innovation?*, Cambridge University Press, 2016.

Nonetheless, comments on the shortcomings just described should be tempered by considerations of the accomplishments achieved: between 1960 and 1985, Arab states did better than the rest of the Third

[98] This trend, which has resisted through the years, can be illustrated with an anecdote told by Professor Alessandro Romagnoli of the University of Bologna during an informal conversation in the summer of 2017. He told how, at Passport Control in an Egyptian airport, he handed his passport to an officer, who gave it to another officer, who opened it and brought it to yet another officer. After expressing his curiosity and perplexity, Professor Romagnoli found out that the bizarre chain was part of the Egyptian social contract, as the last officer explained: "After all, we all have to put food on the table".

[99] K. Harris, 'Did Inequality Breed the Arab Uprisings? Social Inequality in the Middle East from a World Perspective', in S. A. Arjomand (ed.), *The Arab Revolution of 2011: A Comparative Perspective*, Albany 2015, p. 100.

[100] D. F. Angel-Urdinola, K. Tanabe, *Micro-Determinants of Informal Employment in The Middle East and North Africa Region*, Social Protection Discussion Paper n. 1201, The World Bank, Jan. 2012, p. 3. See also J. Wahba, *Labor Markets Performance and Migration Flows in Egypt*, European University Institute, Firenze 2009; J. Wahba, *The Impact of Labor Market Reforms on Informality in Egypt*, The Population Council, Cairo 2009.

World – except East Asia – in income growth with equitable growth distribution. In addition, they appear to have kept inequality under control and guaranteed a fairly equitable distribution of income, as illustrated by a Gini coefficient of around 0.35;[101] it has also been shown that the income of the bottom 40 per cent grew faster than the national average in most countries.[102]

In sum, during the post-independence years most Arab states saw the emergence of largely similar social contracts, characterised by large public sectors, corporate relations with various groups, the provision of universal access to education, health care, water, electricity and other public services, land reforms and industrial growth based on import-substitution strategies. Because of the failure of state-led development models to generate enough growth, provide job opportunities and better living standards to fast-growing populations, various segments of these social contracts started undergoing partial liberalisation in the 1970s, according to an approach called *infitah*, openness, and even greater liberalisation since the 1980s and 1990s with programmes of structural adjustment. The next chapter will discuss this development, also considering the historical and political circumstances that have contributed to shaping the events.

[101] K. Harris, 'Did Inequality Breed the Arab Uprisings?', op. cit., Figure 4.6 p. 95. The Gini index measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of zero represents perfect equality, whereas an index of 100 indicates perfect inequality.
[102] H. Larbi, *Rewriting the Arab Social Contract*, op. cit., p. 29.

CHAPTER 4

ON DISMANTLING: THE WASHINGTON CONSENSUS AND STRUCTURAL ADJUSTMENT IN EGYPT

I – WASHINGTON CONSENSUS AND STRUCTURAL ADJUSTMENT: A QUALITATIVE ANALYSIS

Chapter 2 has briefly introduced the issue of Third World countries' debt and the policy instruments that, according to the International Financial Institutions, needed to be deployed by debtor countries to "set their houses in order" and over which there existed a certain degree of consensus in Washington (understood as the political as well as the technocratic Washington of the international financial institutions). What John Williamson [1] has called "Washington Consensus" is a formulation that summarises the policy creation that emerged from the trends of the early 1980s, that is, a general swing from state-led to market-oriented policies coupled with a shift in the way development problems were framed, and hence in the explanations through which development policies were justified. According to Charles Gore, these new trends involved changes in the spatial and temporal frames of reference of development policy analysis. For one thing, such analysis was partially "globalised": the Washington Consensus, in fact, "combined normative economic internationalism with a methodologically nationalist form of explanation which attributed what was happening within countries mainly to national factors and policies."[2] Changes in the external environment started to be increasingly used to prove the effectiveness of liberalisation and of the "right" macroeconomic principles to adopt at the national level. As a result, in an increasingly globalised world economy, the countries that do not follow the Washington Consensus and the policies it endorses are excluded from the intensifying and purportedly beneficial global flows and connections. Hence, as already shown in Chapter 2, "the case for liberalisation is rooted in the rhetoric of globalisation."[3] Gore highlights, however, that the methodology of the analysis remains essentially nationalist as it retains the distinction between external and internal (i.e. national) factors, and particularly the importance of domestic policy for every country's ability to keep up with the challenges of globalization.[4] Again, as already argued in Chapter 2, it is clear that the idea of individual responsibility is precisely one of the tenets of neoliberalism, and the countries that fail to keep up with the pace of globalization and development bear all the responsibility for economic hardships or disaster.

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[1] See 'What Washington means by policy reform', in J. Williamson, *Latin American adjustment: how much has happened*, op. cit.; 'Democracy and the `Washington Consensus', in *World Development*, 21 (8), 1993, pp. 1329-1336; and 'The Washington Consensus revisited', in L. Emmerij, *Economic and social development into the XXI century*, Inter-American Development Bank, Washington DC, 1997, pp. 48-61.

[2] C. Gore, 'The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries', in *World Development* Vol. 28, No. 5, 2000, p. 792.

[3] *Ibid*., p. 793.

[4] See, for example, IMF, *World economic outlook. Globalization: opportunities and challenges*, Washington DC 1997; World Bank, *Global economic prospects and the developing countries*, Washington DC 1997.

Indeed, the second remark advanced by Gore is that the diffusion of the Washington Consensus coincided with a "shift from historicism to ahistorical performance assessment."[5] Until the 1970s, in fact, historicism dominated development analysis in the sense that it was based on attempts at understanding rhythms, patterns and laws of development; development was understood as a historical transition from a "traditional" (backward, rural, agricultural) society to a "modern" (advanced, urban, industrial) society, as a process of modernisation characterised by a sequence of stages of growth that all countries have to go through, although at different paces.[6] With the shift to ahistorical performance assessment, Gore observes, national "performances" emerge as the main factors accounting for development trajectories, and they become one of the centrepieces of structural adjustment. The main criteria to evaluate performance were short-term GDP growth and macroeconomic stability, and particularly external payment balance and low inflation. Although adjustment implied the abandonment of long-term state-led programmes in favour of laissez-faire and decentralised decision-making,

> this shift away from holism could not be achieved without a holistic approach. Everything has been made subject to the rules and discipline of the market. The vision of the liberation of people and peoples, which animated development practice in the 1950s and 1960s, has thus been replaced by the vision of the liberalization of economies. The goal of structural transformation has been replaced with the goal of spatial integration.[7]

The contradiction becomes even clearer when considering that

> The only circumstances under which methodological nationalism is a completely coherent approach to explanation is if national economies are completely isolated and closed from outside influences. The more that the norms of a LIEO [liberal international economic order] are adhered to, the more that national economies become open to outside influences, the less tenable methodological nationalism becomes as a form of explanation. The dominant paradigm is thus unstable. Its ideology and methodology are in contradiction.[8]

Nonetheless, this paradigm established itself as, indeed, dominant. The fact that the Washington Consensus was propagated through structural adjustment programmes promoted by the IMF and the World Bank, and endorsed in particular – although not solely - by the US,[9] undoubtedly contributed to its primacy. Similarly, many scholars and journalists felt that the rules of the Washington Consensus would spur economic growth: *New York Times* columnist Thomas Friedman, for example, described the

[5] C. Gore, 'The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries', op. cit., p. 794.
[6] W. Rostow, *The Stages of Economic Growth: a Non-Communist Manifesto*, Cambridge University Press, Cambridge 1960.
[7] C. Gore, 'The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries', op. cit., p. 795.
[8] *Ibid*., p. 800.
[9] Throughout the 1980s and 1990s, through its aid and trade policies, and by designing and financing the structural adjustment programmes of the World Bank and the IMF, as well as those of regional multilateral banks such as the Inter-American Development Bank (IDB), Washington has worked to restructure the economic policies of the Southern nations, also to facilitate increased U.S. trade and investment. See C. Welch, J. Oringer, 'Structural Adjustment Programs', *Foreign Policy in Focus*, Vol.3, No.3, April 1998.

paradigm as "the golden straight-jacket", to fit into which countries had to adopt the golden rules of structural adjustment.[10]

However, it was a series of events in the world economy that created fertile ground for the affirmation of the Washington Consensus through reform programmes. As oil prices skyrocketed and recession deepened, it became increasingly more difficult for Third World countries to service the soaring debt and interests resulting from the loans made by commercial banks in the 1970s; as a consequence, the US, the IMF and the World Bank insisted that debtor countries remove state intervention in the economy in exchange for credit and reduce social welfare programmes to service their debts. It is important to bear in mind that structural adjustment policies were not designed to help debtors, but creditors, and precisely the Northern financial interests that had become overexposed in the Third World. The IMF and World Bank's strategy to bail them out consisted in providing Third World debtor countries with billions of dollars in loans that would then be transferred as interest payments to the private banks. In sum, Northern commercial banks were bailed out by international public money that official financial institutions provided in the form of loans, and the transfer of money was made conditional to the implementation of structural adjustment reforms that would ensure a steady supply of repayments in the medium and long term.[11] Indeed, it was the fact that countries like Mexico could no longer service their huge debts that pushed US Treasury Secretary James Baker to initiate structural adjustment.[12] The 1985 Baker Plan thus envisioned increased efforts by debtor countries at fiscal, financial, and monetary reform, in exchange for increased lending by both commercial banks and multilateral financial institutions.[13] However, initial enthusiasm quickly faded owing to the fact that the Plan only delayed debt servicing, instead of reducing it. Hence, in 1989 US Treasury Secretary Nicholas Brady proposed writing off some of the debt, rather than merely rescheduling it as had been done during the 1980s.[14]

Structural adjustment, the centrepiece of these plans, consisted in short-term stabilisation measures and longer-term structural reforms. The strong conditionality to which indebted countries had to submit recommended that governments reform their policy, and in particular: 1) pursue macroeconomic stability by controlling inflation and reducing fiscal deficits, especially reducing expenditures such as those for subsidies, welfare, and public investment; 2) open their economies, allowing the entry of foreign direct investment (FDI), liberalising import and achieving a competitive exchange rate to promote export rather than import substitution strategies; 3) promote competition and liberalise domestic product and factor markets through privatisation and deregulation.

A number of studies have tried to assess the causes of success or failure of structural adjustment programmes. In line with Gore's observations, a World Bank study drafted by Dollar and Svensson in 1998 argued that success or failure of reform depends largely on political-economy factors *within* the countries attempting to reform, although it specified that policy-based lending could still be useful as a

[10] T. L. Friedman, *The Lexus and the Olive Tree*, Farrar, Straus and Giroux, New York 1999, pp. 86-87.
[11] W. Bello et al., *Dark Victory. The United States and Global Poverty*, Pluto Press, London 1999 [1994], pp. 67-68.
[12] R. Gilpin, *Global Political Economy, Understanding the International Economic Order,* op. cit., p. 314.
[13] W. R. Cline, *The Baker Plan. Progress, Shortcomings and Future*, World Bank Working Papers, August 1989.
[14] M. Mukherjee, *How does Brady-type Commercial Debt Restructuring Work?*, World Bank Working Papers, December 1991.

form of "commitment technology", that is, an opportunity for reformers to "tie their own hands".[15] According to much of the literature on this topic, the factors that to some extent influence the likelihood of successful reform include political instability, ethno-linguistic fractionalisation, polarization and social division, the length of tenure of the government, the extent of pre-reform crisis, and whether the government is democratically elected.[16] The second hypothesis considered in Dollar and Svensson's study regards the influence exerted on the success of adjustment programmes by variables under control of the World Bank. These include the resources devoted to analytical work prior to reform and to preparation and supervision of adjustment loans, as well as the number and sequencing of conditions attached to the loans. The findings of the study suggested that, overall, failure of adjustment lending is due to the absence of preconditions for reform *internal* to reforming countries, whereas there was no evidence that the variables under control of the World Bank influence the likelihood of success. In other words, harder work on the part of the World Bank is not enough, by itself, to transform into successful reformers countries that lack the fertile ground and the intention to initiate reform. In this sense, countries that are not committed to implementing reforms in the first place might simply have incentives to initiate them only to receive foreign assistance, subsequently exerting very little effort in making the reforms succeed.[17] According to Paul Collier, for example, African governments rarely declined adjustment loans, even if they had little intention to implement the reforms.[18] Similarly, as maintained in another World Bank study of African cases, "the 10 countries in our sample all received large amounts of aid, including conditional loans, yet ended up with vastly different policies [suggesting] that aid is not a primary determinant of policy."[19] Another problem in this sense concerns the distinction between economic stabilisation and deeper structural reforms, and the fact that the latter are not always fully implemented, as will be seen later when considering the case of Egypt. The results of the World Bank's study imply that the role of adjustment lending is to identify successful reformers, rather than creating them, and that increasing the conditions attached to the loan or the disbursement itself does not increase the likeliness of successful reform.

This conclusion was also reached by William Easterly, according to whom evaluation of structural adjustment loans has often overlooked the repetition of loans to the same country, and more precisely the fact that, although it might be true that more than one loan is necessary to accomplish adjustment, it is harder to justify large numbers of loans to countries that fail to deliver reforms.[20] If the repetition of lending were causing a steady policy improvement, then we would expect to see better policies in countries that received more adjustment loans rather than less. On the contrary, the repetition of adjustment loans to the same countries with no policy improvements suggests, in itself, that the effects

[15] D. Dollar, J. Svensson, *What Explains the Success or Failure of Structural Adjustment Programs?*, World Bank, Policy Research Working Paper 1938, June 1998, p. 3.
[16] *Ibid*., pp. 6 ff., where the literature on this topic is covered.
[17] D. Rodrik, *Promises, promises: Credible policy reform via signaling*, Economic Journal No. 99, 1989, pp. 756-72.
[18] P. Collier, 'The failure of conditionality,' in C. Gwin and J. Nelson (eds.), *Perspectives on Aid and Development*, Overseas Development Council, Washington DC 1997.
[19] S. Devarajan, D. Dollar, T. Holmgren (eds.), *Aid and Reform in Africa*, World Bank, Washington DC 2001, p. 2.
[20] W. Easterly, *What did structural adjustment adjust? The association of policies and growth with repeated IMF and World Bank adjustment loans*, Working Paper No. 11, Center for Global Development, October 2002.

of previous loans were limited, similarly to the effects of foreign aid.[21] In conclusion, as Easterly wrote, "If the original objective was 'adjustment with growth', there is not much evidence that structural adjustment lending generated either adjustment or growth."[22]

Hence, in the early 2000s it was generally agreed on that the consequences of structural adjustment reforms had not worked out as intended. It is noteworthy that, as early as 1990, a study conducted by the IMF itself considered the empirical record of structural adjustment as one of failure. Fund economist Mohsin Khan observed that, between 1973 and 1988, "the growth rate is significantly reduced in program countries relative to the change in non-program countries",[23] and that while macroeconomic variables such as balance of payments and inflation rates are likely to improve in the short run, structural adjustment programmes "do involve some cost in terms of a decline in the growth rate."[24] Nonetheless, supporters of structural adjustment programmes based on the commandments of the Washington Consensus argued that those results did not prove the inefficacy of reform on macroeconomic stability and growth; indeed, as the argument goes, it might be that performance would have been even worse without structural adjustment lending.

Meanwhile, and because of the conclusions reached on the effectiveness of structural adjustment loans, it was acknowledged in a number of World Bank documents that poverty reduction and redistribution were not necessary outcomes of growth and macroeconomic stabilisation, and that economic and social policy measures were needed to address poverty because untargeted growth might be insufficient or even counterproductive. In his review of recent economic policy debates about the relationship between growth, poverty and inequality, Alfredo Saad-Filho noted that in the late 1990s these debates have particularly tended to focus on the concept of pro-poor growth, and this was later followed by further policy shifts at the World Bank on the basis of the so-called Inclusive Growth (IG) paradigm.[25] Nonetheless, as will be discussed below, reports published in the late 2000s by the World Bank and the Commission of Growth and Development (CGD) reasserted the primary role of growth as a necessary and sufficient element to achieve development. More specifically, these reports indicated that poverty reduction can be achieved through *faster growth* rather than through policies that directly address the constraints faced by the poor.[26]

Hence, as maintained by Turkish economist Dani Rodrik in his *Goodbye Washington Consensus, Hello Washington Confusion?*, at the beginning of the new millennium the question is not so much "whether the Washington Consensus is dead or alive; it is what will replace it", as "nobody really

[21] World Bank, *Assessing Aid: What Works, What Doesn't, and Why*, Policy Research Report, Oxford University Press, 1998.
[22] W. Easterly, *What did structural adjustment adjust?*, op. cit., p. 24.
[23] M. Khan, *The Macroeconomic Effects of Fund-Supported Adjustment Programs*, International Monetary Fund Staff Papers, Vol. 37, No. 2, June 1990, p. 215.
[24] M. Khan, quoted in P. Robinson and S. Tambunlertchai, *Africa and Asia: Can High Rates of Economic Growth Be Replicated?*, Occasional Papers, International Center for Economic Growth No. 40, 1993, p. 24.
[25] A. Saad-Filho, *Growth, Poverty and Inequality: From Washington Consensus to Inclusive Growth*, DESA Working Paper No. 100, United Nations, New York 2010.
[26] See T. Besley, L. J. Cord (eds.), *Delivering on the Promise of Pro-Poor Growth: Insights and Lessons from Country Experiences*, World Bank, Washington DC 2007, pp. 14, 17; Commission on Growth and Development (CGD), *The Growth Report: Strategies for Sustained Growth and Inclusive Development*, World Bank, Washington DC 2008, pp. 5, 15, 21; World Bank, *What is Inclusive Growth?*, Washington, D.C. 2009, p. 7.

believes in the Washington Consensus anymore", although there are still differences in the lessons drawn by proponents and sceptics.[27] Rodrik's argument takes in particular consideration the studies drafted in 2005 by the two sister institutions that had been working the most on structural adjustment plans: the World Bank and the IMF. The central aspect of the World Bank's *Economic Growth in the 1990s: Learning from a Decade of Reform*, according to Rodrik, is the fact that the book no longer contains confident assertions of what works and what does not, nor blueprints for policy makers to adopt. As Gobind Nankani, the then-World Bank vice-president, wrote in the preface of the book, "there is no unique universal set of rules. […] [W]e need to get away from formulae and the search for elusive 'best practices' […]."[28] In addition, Rodrik signals that the World Bank's understanding of the impact of policy reform on economic growth has progressively shifted to a more nuanced and sceptical stance. This can be deducted by the conclusions reached in the book:[29] firstly, the acknowledgment that reforms, while seeking efficiency gains, overlooked the need to stimulate growth strategies. Secondly, and very significantly, the World Bank renounced standard best practices recognizing that different contexts require different solutions to common problems: improving private investment incentives, for example, might require enhancing the security of property rights in one country and strengthening the financial sector in another. Furthermore, the World Bank acknowledged its tendency to overestimate the role played by rules and commitments over government discretion; as it turned out in several cases, in fact, "government discretion cannot be bypassed."[30] Finally, the World Bank's study concluded that reforms need to be selected more accurately and focus on the constraints on economic growth, that change from one country to another, instead of presenting reformers with lengthy lists of fixed measures that are not or scarcely tailored to their situation.

A different perspective was provided by the IMF in a report focusing on the Latin American context that was published at around the same time as the World Bank's study.[31] While admitting, like the World Bank, that growth had been disappointing, the IMF report asserted that the problem was not the approach taken to reform, that is, the Washington Consensus, but rather the fact that the Washington Consensus had not been implemented deeply and far enough.[32] To be sure, there were cases in which the incomplete implementation of the Washington Consensus' measures did not lead to the failure predicted by its proponents: China and India, for instance, increased their reliance on market forces but maintained high levels of trade protection, lack of privatisation, industrial policies, and lax fiscal and financial policies through the 1990s, looking like all but "good pupils" of the Washington Consensus. Indeed, had

[27] D. Rodrik, 'Goodbye Washington Consensus, Hello Washington Confusion?', *Journal of Economic Literature*, Vol. 44, No. 4 (Dec. 2006), p. 974.
[28] World Bank, *Economic Growth in the 1990s: Learning from a Decade of Reform*, Washington DC 2005, p. xiii. To be sure, in spite of such claims, the World Bank and the CDG give a rather detailed picture of the "correct" policies to implement.
[29] D. Rodrik, 'Goodbye Washington Consensus, Hello Washington Confusion?', op. cit., pp. 976 ff.
[30] World Bank, *Economic Growth in the 1990s: Learning from a Decade of Reform*, op. cit., p. 14.
[31] A. Singh et al., *Stabilization and Reform in Latin America: A Macroeconomic Perspective on the Experience Since the Early 1990s*, IMF Occasional Paper, February 2005.
[32] See, for instance, A. O. Krueger, *Meant well, tried little, failed much: policy reforms in emerging market economies*, Roundtable Lecture, Economic Honors Society, New York University, 23 March 2004.

they failed, they would have been considered as indisputable evidence in support of the Washington Consensus.[33]

Regardless, proponents of the Washington Consensus have increasingly supported the idea that the positive effects of structural reforms were hindered by poor institutional conditions in reforming countries – which recalls the opinion expressed in the report by Dollar and Svensson, discussed above, about the influence exerted by national factors on the efficacy of reform. The renewed focus on institutions has led to what Rodrik defined "Augmented Washington Consensus", a list of heavily institutional "second generation" reforms addressing issues of corporate governance, anti-corruption, labour markets' flexibility, WTO agreements, financial codes and standards, "prudent" capital-account opening, non-intermediate exchange rate regimes, independent central banks, social safety nets, and targeted poverty reduction.[34] Furthermore, Rodrik observed a significant aspect of Washington's neoliberal agenda, that is, its being so open-ended that

> even the most ambitious institutional reform efforts can be faulted ex post for having left something out. So you reformed institutions in trade, property rights, and macro, but still did not grow? Well, it must be that you did not reform labor-market institutions. You did that too, but still did not grow? Well, the problem must be with lack of safety nets and inadequate social insurance. You reformed those, with little effect? Obviously the problem was that your political system was unable to generate sufficient credibility, lock-in, and legitimacy for the reforms. In the end, it is always the advisee who falls short, and never the advisor who is proved wrong.[35]

Outside of the main international financial institutions, structural adjustment programmes have also met with the strong criticism of academics who did not ascribe every failure to internal, national factors. On the contrary, structural adjustment programmes based on the neoliberal agenda of the Washington Consensus have been considered as the assault that took advantage of the debt crisis, defined by Vijay Prashad as the "Trojan horse" used to "assassinate" the Third World project;[36] similarly, Walden Bello and other scholars have considered structural adjustment reforms as the means used by the US and the Bretton Woods institutions to reach their common objective: "the dismantling of the Third World state as an agent of economic development".[37] According to Massachusetts Institute of Technology (MIT) economist Lance Taylor, this disappointing record is due to the fact that the IMF interpreted the causes of stagnation to the "distorted" structures of Third World economies, whereas the real barriers to growth were the two macroeconomic shocks of the 1970s and 1980s, that is, the OPEC oil price rise and the debt crisis.[38] Similarly, other academics have criticised structural adjustment programmes for engendering a concatenation of events that led to different outcomes compared to those expected by IMF and World

[33] D. Rodrik, 'Goodbye Washington Consensus, Hello Washington Confusion?', op. cit., p. 975.
[34] *Ibid*., Table 1, p. 978.
[35] *Ibid*., p. 980.
[36] V. Prashad, *The Darker Nations*, op. cit., p. 231.
[37] W. Bello et al., *Dark Victory. The United States and Global Poverty*, op. cit., pp. 31, 67-71.
[38] J. M. Fanelli, R. Frenkel, L. Taylor, 'The World Development Report 1991: a Critical Assessment,' in *International Monetary and Financial Issues for the 1990s*, United Nations Conference on Trade and Development (UNCTAD), New York 1992.

Bank theory. For example, devaluation aimed at promoting export and earning foreign exchange raises the cost of imported capital and intermediate goods and, coupled with stabilisation measures such as tightening the money supply, letting interest rates rise, reducing government expenditure and cutting wages, results in a contraction of the economy that, in turn, discourages private investment. In addition, liberalisation does not necessarily facilitate investment and growth, since the mere lifting of price controls and trade barriers fails to address the deeper structural and technological barriers to production that are usually dealt with by state-led programmes dismantled in the name of fiscal discipline. Even when liberalisation leads to a rise in production as a response to the incentives created by structural adjustment programmes, export income falls owing to the fall in world prices of the exported commodities engendered by the rising supply. Besides, most of this reduced income is not allocated to investment, but to debt servicing. In the end, the resulting low investment, increased unemployment, low output, and reduced social spending and consumption create a vicious cycle of stagnation and decline instead of a trickle-down effect as originally envisaged by IMF and World Bank theory.[39]

Further criticism concerned the fact that a number of countries in the global South and in Eastern Europe experienced two parallel transitions: the economic one, towards neoliberal policies, and the political one, in the direction of increasingly democratic systems, and this trend led to tensions because of the contradiction inherent in "the deployment of democratic and supposedly inclusive political systems to enforce exclusionary economic policies."[40] In conclusion, while considering structural adjustment lending as the only cause of increasing poverty and inequality would be intellectually dishonest, it is hard to deny that they were

> a central link in a vicious circle whose other key elements were the cutting off of credit flows brought on by the debt crisis, increasing marginalization from flows of foreign direct investment, and deteriorating terms of trade owing to the sharply falling international price of the Third World's primary commodity exports and the inexorably rising price of its manufactured imports.[41]

Building also on the considerations made in Chapter 3, the upcoming sections look at the way the social contract built in Egypt in the post-independence period was dismantled, first by the *infitah* or "open-door policy" started in the 1970s, and then by the Economic Recovery and Structural Adjustment Programme (ERSAP) that was launched in 1991. The rest of this chapter is divided into a qualitative section, describing the reform programmes and their effects in term of social welfare, and a quantitative section providing data on trends in poverty, inequality, and other dimensions of social welfare in the reform period. The purpose of such analysis is to explore whether this caused a retreat of the state, a worsening of poverty and inequality, and a void that was later filled by alternative sources of welfare provision, especially faith-based organisations.

[39] W. Bello et al., *Dark Victory. The United States and Global Poverty*, op. cit., pp. 35-37.
[40] A. Saad-Filho, *Growth, Poverty and Inequality: From Washington Consensus to Inclusive Growth*, op. cit., p. 6.
[41] W. Bello et al., *Dark Victory. The United States and Global Poverty*, op. cit., p. 51.

Infitah: from state-led development to liberalisation

When Nasser died, in 1970, everyone expected his successor, Anwar Sadat, to bring forward his political project of state socialism. When he rose to power, however, he acted to dismantle that system. In May 1971, Sadat proclaimed in front of the National Assembly – that he had renamed the People's Assembly - the "corrective movement" (*harakat al-tashih*), officially as a way to act against the deviations from Nasser's revolution. Sadat received wide support, as no one doubted that he symbolised continuity with the preceding period. The corrective movement, however, soon became known as the "corrective revolution" (*thawrat al-tashih*) to mark the significance of the change occurred.[42] Sadat first imprisoned Nasser's main supporters and promulgated a new constitution that reinforced the president's discretionary powers to the detriment of political representation. In addition, he abandoned the Nasserist socialist rhetoric and adopted two parallel open-door policies aiming at opening the country to Western investment: one economic and the other political.

The political *infitah* consisted, first of all, in the dissolution of the only party that existed during Nasser's regime, the Arab Socialist Unit (ASU), and in the establishment of a certain measure of pluralism through the creation of three parliamentary "forums" (left, right, and centre) and the first "free" elections, held in 1976. However, openness was only apparent since most of the parties created supported the government, leading observers and scholars to argue that Sadat's experiment was one of multi-partitism devoid of democracy.[43] But the most striking change occurred in Sadat's foreign policy: although he knew, like Nasser, that only a new war with Israel would restore Egypt's pride and dignity, Sadat believed that the country had to move away from the USSR and side with the US. After the Yom Kippur war of 1973, Sadat established contacts with Israel, and at the same time bolstered himself as a moderate and wilful head of state to gain US favour. These efforts resulted in the Camp David Accords and the Egyptian-Israeli peace treaty, signed respectively in 1978 and 1979, which led to Egypt being expelled from the Arab League and the Islamic Conference. As a reward for signing the Accords and for the foreign policy realignment with the US, Egypt has received more than USD 60 billion in economic and military aid since 1979, which represents the second highest sum after that received by Israel.[44]

This development became an easy target for internal opponents to Sadat's regime, both among the secular and the Islamist forces. Nonetheless, Sadat had decided to present himself to the Egyptians as a believer: in 1980, he proclaimed the *shari'a* the main source of the country's law and rehabilitated the Muslim Brotherhood, which resumed its activities and propaganda. The Egyptian president had decided to play the card of Islamism against internal opposition, especially against the Left, but this strategy backfired: Islamist organisations quickly multiplied and their radicalisation increased, as was the case of groups such as *Takfir wa Hijra*, *al-Jihad*, and *al-Jama'a al-Islamiyya*, particularly because of the

[42] H. Ansari, *Egypt, The Stalled Society*, State University of New York Press, Albany 1986, Chapters 6-7.
[43] See, for instance, G. M. Muñoz, *Política y Elecciones en el Egipto Contemporaneo*, Madrid, Agencia Española de Cooperación Internacional, 1992, pp. 321 ff., quoted in M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., p. 180.
[44] L. Guazzone, D. Pioppi (eds.), *The Arab State and Neoliberal Globalization. The Restructuring of State Power in the Middle East*, Ithaca Press, Reading 2009, p. 20.

economic downturn and the hardships that, as will be soon discussed, spread throughout the country and especially among young students, workers and unions.[45] The Islamist movements took advantage of the opposition aroused by the poor results obtained by Sadat's policies and started acting as the armed wing of that opposition. Sadat himself was assassinated by a member of *al-Jihad* on 6 October 1981, while assisting to a memorial parade of the Kippur war. Although many, in the West, have argued that Sadat was killed in retaliation against the peace treaty with Israel, it is clear from the above that his death was mainly due to internal reasons.[46]

As for economic *infitah*, it took shape between 1974 and 1977 with the aim to attract external finance from the Gulf and the West by promoting investment, liberalising trade, reforming the banking sector, extending privileges to the private sector and reorganising the public sector so as to reduce state intervention to a minimum, including in the area of social assistance. The results of such transformation soon proved, however, to be disappointing: privatisation of state enterprises proceeded slowly, corruption was rampant, inflation rose exponentially and while the rich increased their wealth the poor saw their condition steadily worsening. Thus, greater reliance on foreign economic subsidies became necessary, and it was accompanied by subordination to the guidelines of the IMF. The 1977 agreement with the IMF, however, was never concluded, the planned price hikes were cancelled and liberalisation had to slow down because of the social tensions ignited by *infitah*, and specifically by the attempt to remove subsidies on some basic goods, including bread, urged by the IMF. Because the pace of liberalisation was made more gradual to avoid new uprising, Egypt elaborated a mixed economy mode of development in which the private sector was indeed growing, while the state continued to play a dominant role in production, distribution, and in the management of subsidies and employment guarantees.[47]

The advent of Hosni Mubarak to the presidency in 1981 represented the continuation of military rule, on the one hand, and the deepening of the open-door policy on the other. Overall, the *infitah* period was initially characterised by considerable growth between 1973 and 1985, described by the World Bank as "an unprecedented boom."[48] Such growth is generally believed to have been engendered by capital accumulation[49] that, however, was financed by external rent – Suez Canal, tourism and oil revenues, migrant workers' remittances and aid inflows - rather than by domestic savings accumulation. The collapse in oil prices at the beginning of the 1980s affected these sources of income, reducing both

[45] It is important to distinguish between Islamic extremism that makes use of terrorism and traditional forms of Islamism, represented in particular by the Muslim Brotherhood. During both Sadat and Mubarak's regimes, the Muslim Brothers tried to increase their own legitimacy by increasing their control of civil society and its representatives, particularly professional associations, unions, social and health care. See M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., p. 183; see also H. al-Awadi, *In Pursuit of Legitimacy. The Muslim Brothers and Mubarak, 1982-2000*, I.B. Tauris, London-New York 2004.

[46] M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., pp. 182-184.

[47] See J. Waterbury, 'The "Soft State" and the Open Door: Egypt's Experience with Economic Liberalization, 1974–1984', in *Comparative Politics* 18 (1985), 65–83, p. 70; A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice. Workers and the Egyptian Revolution*, Zed Books, London 2014, p. 46; J. Harrigan, H. El-Said, *Aid and Power in the Arab World. IMF and World Bank Policy-Based Lending in the Middle East and North Africa*, Palgrave MacMillan, New York 2009, p. 37.

[48] World Bank, *Egypt in the Global Economy: Strategic Choices for Savings, Investments, and Long-Term Growth*, World Bank Middle East and North Africa Economic Studies, Washington DC 1998, p. 1.

[49] H. Kheir-El-Din, T. Moursi, *Sources of Economic Growth and Technical Progress in Egypt: An Aggregate Perspective*, Global Development Network, 2001, p. 34.

investment and growth, and exposing the weaknesses of the Egyptian economy that the state had failed to address, such as the inefficiency of investment incentives, the excessive burden on the state sector, and the lack of dynamism and innovation in the production process, engendering twin deficits in fiscal and current accounts. Thus, at the end of the 1980s, Egypt risked defaulting on interest payments on the US loans of the 1970s,[50] while growth was more and more undermined by the imbalance between "government revenue and spending, between savings and investment, imports and exports and labour demand and supply."[51] By 1986, the government could no longer sustain its policy of guaranteeing public sector jobs to higher education graduates, and this had serious repercussions for an increasingly educated and expanding labour force that saw its aspirations for social mobility frustrated by the lack of opportunities and by government inactivity in this sense. Above all, Mubarak's renewed *infitah* strengthened a class of predatory businessmen who initially controlled the productive system and who later extended their dominion to the political system and the institutions. This process was presented as a moment of growth, development and modernisation, but it was the more impoverished and vulnerable social strata who paid its price.[52] This is one of the factors that explains, as we shall see, the rejection of modernity and modernisation by many among the most deprived, since the idea of modernisation ended up being associated with profoundly inegalitarian policies as well as external – and specifically Western or, more precisely, American - interventions.

From the political point of view, during Mubarak's regime there was further liberalisation of freedom of thought and press, and a number of NGOs were created to voice the demands of civil society. The number of parties increased, but the dominant National Democratic Party (NDP) continued to obtain the absolute majority of the Parliament's seats. Hence, although Egypt appeared as a formally multi-party state, popular representation was seriously compromised. This lack of political opening is precisely what further increased the social and economic costs of *infitah* and, later, structural adjustment.[53] In addition, and especially during the 1990s, the country experienced an escalation of extremist Islamist violence, which not only kept targeting the Egyptian institutions, but also started to indiscriminately assault civilians and foreigners. Although, in the end, Mubarak's regime emerged stronger from the fight against the Islamic extremists, structural imbalances persisted, and the country continued to suffer from economic difficulties and social inequalities, the disillusionment of civil society about failed democratisation, the fragility of the institutional system, and the decreased relevance of Egypt at the regional and international level. Despite having being readmitted to the League of Arab State and to the Islamic Conference, in fact, Egypt had lost much of its bargaining power owing to its decision to side with the US.[54]

[50] A. Alexander, 'Mubarak in the International Arena', in P. Marfleet, and R. El-Mahdi (eds.), *Egypt: The Moment of Change*, Zed Books, London 2009, pp. 136–150.
[51] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., p. 37.
[52] M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., p. 184.
[53] H. Larbi, *Rewriting the Arab Social Contract*, op. cit., pp. 29, 63. More in general, the lack of inclusive economic and political institutions has been identified as the main cause of underdevelopment in the Arab region. See A. Galal, H. Selim, *The Elusive Quest for Arab Economic Development*, Economic Research Forum, Working Paper 722, Dokki, Giza (Egypt) Nov. 2012.
[54] M. Campanini, *Storia del Medio Oriente Contemporaneo*, op. cit., pp. 184-186.

Undoubtedly, the restructuring of Egypt's alliances came with its advantages: it was only because of its support for the US initiative against Iraq after the invasion of Kuwait in 1990 that much of its Paris Club debts could be written off. Nonetheless, a look at the macroeconomic indicators in the early 1990s clearly shows that the country's situation was much more complicated and that the write-off just granted would not have sufficed: external debt had reached US$ 49 billion, corresponding to 150 per cent of GDP; in addition, growth had slowed significantly and unemployment was rising, while the budget deficit amounted to 20 per cent of GDP, inflation was around 20 per cent, real interest rates were at -6 per cent, and current account deficit was around 8 per cent of GDP, meaning that Egypt was unable to service external debt obligations.[55] It is thus clear that, by 1991, the Egyptian government could not delay IMF and World Bank-led adjustment any further.

Structural adjustment: the dismantling of the post-independence social contract

The Economic Reform and Structural Adjustment Programme (ERSAP) was launched in 1991, after Egypt signed a Standby Loan with the IMF and a Structural Adjustment Loan with the World Bank. The IMF programme in particular aimed at stabilising the Egyptian economy through fiscal and monetary reforms, whereas structural adjustment reforms were mainly guided by the World Bank and included privatisation, removing controls on investment and trade tariffs, raising the prices of energy and transportation, and reducing consumer subsidies and social assistance.[56]

Two aspects are particularly noteworthy: first, the centrality of the state in the reform process. The experiences of both *infitah* and ERSAP disprove in fact superficial claims that neoliberal reforms in Egypt corresponded to a retreat or withdrawal of the state from the economy, and rather indicate that the shift to neoliberal policies corresponded to "a new amalgam of state and private capital."[57] Secondly, while the reform process resulted in the successful stabilisation of the Egyptian economy, it did not fundamentally change its structure.[58] These two aspects will clearly emerge from the analysis of the Egyptian reforms that follows.

One of the main reasons accounting for the success of the stabilisation programme was the reduction in fiscal deficit from around 15 per cent of GDP to 2 per cent, obtained by means of revenue increase and expenditure reduction.[59] Revenue increase was mainly achieved through the introduction of the sales tax, whereas most of the cuts in public expenditure regarded government investment, subsidies, transfers, wages and pension payments. Moreover, the government managed to reduce public expenditure by cutting subsidies to state-owned enterprises, privatising and commercialising them, particularly through the enactment of Law 203 of 1991, that divided the public sector into "dozens of 'holding

[55] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., p. 38.
[56] M. Omran, 'Testing for a Significant Change in the Egyptian Economy under the Economic Reform Programme Era', *World Institute for Development Economics Research*, Discussion Paper No. 2002/59, 2002.
[57] A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice*, op. cit., pp. 53 ff. To be sure, this is also a contradiction of neoliberalism, which despises state intervention but discretionally supports it for the sake of "market efficiency".
[58] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., pp. 49 ff.
[59] *Ibid*, p. 40.

companies' which were granted the right to dispose of their affiliates through merger, liquidation, partition and sale."[60] Although investment in social sectors was protected and government expenditure on health, education and some areas of infrastructure actually rose, these projects were often only selectively beneficial and subsidised private capital.

Another pillar of the stabilisation programme was restrained monetary policy, which allowed a reduction of liquidity from 28 per cent in 1990-1 to around 10-11 per cent after 1994-5, as well as a restoration of positive interest rates. The IMF has observed that Egypt's monetary policy was not tight enough to prevent GDP growth from rebounding, and that interest rates did not jump high enough to generate a sustained recession. Furthermore, the result of fiscal and monetary reforms was the reduction of inflation from 20-30 per cent in the 1980s to 4-5 per cent in 1997.[61] Hence, remarkably, Egypt achieved stabilisation without a collapse in output and without a financial crisis.[62] The country was also praised for achieving the fixed nominal exchange rate. This, however, combined with increased capital inflows owed to increased confidence in the Egyptian economy, implied an appreciation of the real exchange rate by around 30 per cent, which hindered the competitiveness of the country's tradable goods and prevented it from developing an export-led growth model.[63] Such model would have also been necessary to absorb an expanding labour force, but it remained stagnant during the stabilisation period, also owing to the structure of the Egyptian trade: exports, in fact, consisted mainly in minerals (especially petroleum), textiles and clothing; imports were more diversified, but the productive structure was import-intensive, making Egypt vulnerable to balance of payments pressures. As expressed by the World Bank:

> Egypt remains an inward-looking economy, with a luke-warm performance of non-oil manufacturing exports both in terms of growth and composition […] other growth sectors, in particular services and construction, while creating new employment, are also not contributing to improving productivity and competitiveness.[64]

In addition to exchange rate problems, increased capital inflows caused a build-up of domestic debt because the government responded to those flows with a "sterilisation programme", acquiring foreign currency by selling domestic securities, especially Treasury Bills.[65]

Neoliberal reforms also aimed at weakening the redistributive functions of the state, particularly its commitment to ensure employment and the provision of basic goods and services to the most vulnerable. In line with these objectives, legislation enacted by the government was a clear symptom of the class bias of the state, especially the already mentioned Public Sector Law 203 of 1991 and

[60] A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice*, op. cit., p. 48.
[61] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., pp. 42-43.
[62] IMF, *The Egyptian Stabilization Experience: An Analytical Retrospective*, Working Paper of the International Monetary Fund, Washington DC 1997, pp. 51, 57.
[63] World Bank, *Egypt in the Global Economy: Strategic Choices for Savings, Investments, and Long-Term Growth*, op. cit., p. 9.
[64] World Bank, *Memorandum of the President of the International Bank for Reconstruction and Development and the International Finance Corporation to the Executive Directors on a Country Assistance Strategy for the Arab Republic of Egypt*, Report no. 22163–EGT, Washington DC 2001.
[65] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., p. 47.

Investment Law 8 of 1997. By providing incentives to investors and restructuring tariffs and taxation, the state acted in the interest of corporations and the richest segments of society, as well as government officials themselves, who were often businessmen and investors engaged in politics. As Safinaz el-Tarouty explains,

> in order to defuse the challenges of economic liberalization, the regime deepened its ties to some businessmen in order to create a new political economy of authoritarianism […] NDP businessmen and independent businessmen were co-opted by the regime through existing institutions (elections, parliament, and the ruling party). This co-option was flexible and took different forms that varied from authoritarian clientelism, semiclientelism, mutual dependency, and patron-broker-client relationships.[66]

More precisely, state officials were not merely managers of capital acting on behalf of the state, but investors and owners who benefitted directly from the parallel roles they played in business and government, as clearly shown by Alexander and Bassiouny:

> The most grotesque example of this kind of convergence of political and economic power in the later stages of neoliberal reform was Ahmed Ezz's presidency of the Planning and Budgetary Committee of the People's Assembly. Ezz, who enjoyed near monopoly control of Egypt's iron and steel industry, therefore chaired the committee which decided the size of government investment in construction and public infrastructure, and thus determined the scale of demand for his own products.[67]

This proves, as anticipated, that the implementation of neoliberal policies did not correspond to a withdrawal of the state from the economy, but rather paradoxically paved the way for even stronger state intervention, leading to the emergence of a "new amalgam of state and private capital." The same process can be observed when considering the evolution of the role played by the Egyptian military in the economy during the neoliberal reform period, since the *infitah*. Starting from the 1980s, with the downsizing of the public sector the Armed Forces have expanded their economic activities in a number of areas, including manufacturing, agriculture, land reclamation, construction and service industries. Later, with the intensification of neoliberal reform in the 1990s and 2000s, privatisation provided the military leadership with new opportunities to establish partnerships with transnational – especially Gulf – capital in the areas of energy, transport and communication.[68] The fact that the Egyptian army was one of the architects of neoliberalism proves, once again, the major role played by the state during the reform process, besides disproving the military's claim – advanced especially after 2011 – "that it acted as the guardian of the 'national interest' in protecting the public sector from the depredations of Gamal

[66] S. el-Tarouty, *Businessmen, Clientelism, and Authoritarianism in Egypt*, Palgrave MacMillan, New York 2015, pp. 2, 8-9.
[67] A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice*, op. cit., p. 54.
[68] S. Marshall, J. Stacher, 'Egypt's Generals and Transnational Capital', *Middle East Report* 262, Vol. 42 (Spring 2012).

Mubarak and his cronies."[69] Hence, not only was the Arab development model strained by the contradictions of economic control combined with unsustainable welfare concessions, but also by the weakness of the private sector and its dependency on privileges rather than competition, leading to the state's failure to deliver social justice and meet the mobility aspirations of its citizens.[70]

Labour Law 12 of 2003 is another example of the state's bias towards capital rather than labour. Temporary contracts became the norm rather than the exception, and their renewal did not necessarily imply extra protection for length of service, nor their transformation into permanent contracts. Thus, workers lost their right to job stability and protection against unemployment, and their right to strike was also severely limited. In combination with Law 203 of 1991, working class restructuring also implied a drastic reduction of public sector employment: by 2001, the workforce of the state-owned enterprises targeted by the new legislation had been reduced by more than half, from around 1 million to 453,000.[71] This had been achieved not only through privatisation, but also by means of early retirement schemes and the non-replacement of retired workers. As a result, by the early 2000s the gap between real wages in the public and private sectors had begun to widen. In addition, transfer of employment out of the public sector had meant, for workers and their families, the loss of important non-wage benefits, such as access to social insurance, retirement pensions, and job security. Mostafa Bassiouny observed that, between 1998 and 2006, the proportion of workers with an employment contract decreased from 61.7 to 42 per cent, and those covered by social insurance went from 54.1 to 42.26 per cent.[72]

Much wider social strata, and especially the poorest, were hit by the effects of the universal health care and education systems reform. As a result of the new provisions enacted, the cost of access to health and education services rose dramatically, exposing the most vulnerable to "'hidden' and informal fees."[73] For example, owing to overcrowded classes, lack of teaching materials and a decline in the overall quality of public education, families tried to compensate by increasing their own expenditure on private education, creating a two-tier system that had a much more negative impact on poorer households for which around 20 per cent of their spending was taken up by education, and a similar trend characterised the area of health care.[74] In addition, as highlighted by Asef Bayat, the growth of private social service systems in the areas of health, education and housing benefitted the wealthy more than the poor, who saw a decline in the funding destined to them and a worsening quality of the public services on which they relied.[75] To be sure, as highlighted in Chapter 3, there had been undeniable improvements in education achievement. Nonetheless, the fact that unemployment rates were (and still are) highest among high school and university graduates, owing to the fact that the increased college education had not been

[69] A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice*, op. cit., p. 56.
[70] A. Malik, 'A Requiem for the Arab Development Model', in *Journal of International Affairs*, Vol. 68, No. 1, Fall/Winter 2014.
[71] A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice*, op. cit., p. 52.
[72] M. Bassiouny, 'Dirasat Al-Niqabat', unpublished paper, 2009, p. 11, quoted in A. Alexander, M. Bassiouny, *Bread, Freedom, Social Justice*, op. cit., p. 53.
[73] M. Tadros, 'State Welfare in Egypt since Adjustment: Hegemonic Control with a Minimalist Role', *Review of African Political Economy*, vol. 33, no. 108 (June 2006), p. 237.
[74] *Ibid*., p. 241.
[75] A. Bayat, 'The Political Economy of Social Policy in Egypt', in M. Karshenas, M. Moghadam, (eds.), *Social Policy in the Middle East: Economic, Political and Gender Dynamics*, Palgrave Macmillan and UNRISD, Basingstoke and New York 2006, p. 139.

accompanied by improvements in the labour market, added to the frustration of an increasingly educated and ambitious youth, explaining the attractiveness of revolutionary agitations.[76] The reduction of social safety nets in the reform period also consisted in the elimination of a number of subsidies on basic goods, the lifting of the 1952 Land Reform, and the dismantling of the rent control system, which had made rents affordable by keeping them below market levels.[77] Furthermore, the fact that these measures were taken just when the Egyptian economy was opened to international trade had dramatic consequences for the most vulnerable social strata, who were left without the safety nets that acted as shock absorbers.

In spite of IMF and Wold Bank optimism for Egypt's ability to build on the successful stabilisation, [78] the boom achieved through a programme that focused only on the reduction of macroeconomic imbalances instead of creating conditions favourable to growth and employment proved to be unsustainable. By the early 2000s, the slow pace of structural reform and the fall of external receipts had led to a collapse in growth (which had not been financed by domestic savings but by volatile sources such as remittance income, Suez Canal revenues, oil and gas exports and foreign aid), a rise in unemployment, a devaluation of the currency and the abandonment of the fixed exchange rate, which resulted in currency depreciation and inflation that reached 11.3 per cent in 2004.[79]

The limited scope for structural reform was partly due to the reluctance of the Egyptian government to carry out restructuring as a "shock therapy" - at least initially, since the early 2000s saw an intensification of the neoliberal orientation of reform with the instalment of the Nazif government, primarily aiming at addressing the loss of credibility suffered by its predecessor. Resistance to more consistent structural reform on the part of the Egyptian authorities was due to the fear of the political consequences of the cuts in subsidies and of governance measure that would have improved transparency and countered the rampant corruption. Thus, the government managed to avoid regime-threatening reforms and implemented only those that were necessary to secure loans from the international financial institutions, while relying on both coercion and informal networks of patronage to secure not so much political legitimacy but rather loyalty and support. The concept of *wasta* (intercession, intermediation) clarifies the way in which Arab autocrats have engaged in a game of favours to maintain power, as argued by Oliver Schlumberger:

> [...] neo-patrimonial socio-political systems, extremely personalized patterns of political rule, and socially dominant patronage networks as well as search for wasta dominate the Arab world's socio-political system without exception [and apply to] political decision-making, elite formation and

[76] R. J. Heydarian, *How Capitalism Failed the Arab World. The Economic Roots and Precarious Future of the Middle East Uprisings*, Zed Books, London-New York 2014, p. 74. See also G. Amin, *Whatever Happened to the Egyptians? Changes in Egyptian Society from 1950 to the Present*, The American University in Cairo Press, Cairo-New York 2000.
[77] R. Bush, *Counter-Revolution in Egypt's Countryside: Land and Farmers in the Era of Economic Reform*, Zed Books, London and New York 2002.
[78] IMF, *The Egyptian Stabilization Experience: An Analytical Retrospective*, op. cit., p. 59; World Bank, *Egypt Country Assistance Evaluation*, Report no. 20513,Washington DC 2000, p. 2.
[79] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., p. 49.

> recruiting mechanisms, law endorsement and enforcement, and even agreements of a contractual nature between non-state actors.[80]

Hence, as noted by Richard Heydarian, the regime manipulated reforms and led to

> a recycling of state resources into the hands of top figures within the regime and their civilian and military allies. [...] not only was the regime able to maintain the loyalty of crucial allies and clients, but it was also able to deepen and expand its channels of patronage vis-à-vis critical elite circles. The result was a neo-patrimonial state, overseeing crony capitalism in its crudest form.[81]

This was achieved, Heydarian explains, through the "predatory process of privatization" described above, coupled with the minimalist regulations imposed by the international financial institutions that resulted in the state overlooking policies that could have fostered industrialisation and economic growth. As a result, poverty worsened and unemployment skyrocketed, while the country remained highly dependent on sectors characterised by opacity, fraud and volatility such as real estate, banking and tourism.[82]

Equally significant in explaining why structural change did not occur was the lack of World Bank leverage over structural reform itself. The World Bank's limitations were due to the availability of alternative sources of funding, especially from USAID and the massive, geopolitically-motivated debt forgiveness obtained in exchange for support of the US campaign during the first Gulf War, that decreased the debt to GDP ratio from 151 per cent to 37.7 per cent between 1990-1 and 1997-98.[83] So exceptional was the entity of debt forgiveness that pressure on Egypt to reform was considerably lowered, since it reduced debt-servicing payments and contributed to preserving external viability. Without debt forgiveness, tighter monetary policies and a recession would have probably been necessary; hence, the availability of funds derived from debt write-off and other already mentioned (and more volatile) sources also explains how Egypt could achieve stabilisation without a financial crisis or a fall in its output.

Scarce World Bank (and IMF) leverage over structural reform can also be explained considering the relative importance of donors in Egypt. As noted by Harrigan and el-Said, between 1999 and 2003 the IMF and the World Bank only accounted for 1 per cent of donor disbursement, while 59 per cent came from USAID. When Egypt signed the loans with the IMF and the World Bank, their share was larger although still tiny compared to that of USAID; the beginning of the ERSAP programme was the moment of greater leverage, but since the World Bank only focused on monitoring and delinked it from financial support, it gave Egypt a free hand to carry out reform at whatever pace and extent its authorities deemed

[80] O. Schlumberger, 'Structural Reform, Economic Order, and Development: Patrimonial Capitalism', *Review of International Political Economy*, 15(4), 2008, p. 626.
[81] R. J. Heydarian, *How Capitalism Failed the Arab World*, op. cit., p. 66. See also T. Demmelhuber, 'Economic Reform and Authoritarianism in Egypt: Politics, Power and Patronage', in J. Harrigan, H. El-Said (eds.), *Globalisation, Democratisation and Radicalisation in the Arab World*, Palgrave Macmillan, New York 2011, pp. 145-161.
[82] R. J. Heydarian, *How Capitalism Failed the Arab World*, op. cit., pp. 65-68.
[83] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., p. 46.

appropriate.[84] To be sure, even USAID, in spite of its significant disbursement, was not that effective in imposing conditions to reform. Indeed, the US State Department was often considered rather lenient and permissive with the Egyptian government, particularly concerning fiscal performance, and this affected the ability of other donors to demand reform.[85] Indeed, Mubarak's neo-authoritarianism was tolerated by its Western patrons because of the increased Islamist violence and the successes of non-violent Islamism,[86] which were, incidentally, also reinforced by external interferences or perceptions thereof. With the end of the Cold War, in fact, a new theory had emerged according to which Islam was the successor of Communism as the next main threat to Western civilisation. Allies such as Mubarak's regime, threatened by Islamic political opposition, were thus to be rewarded for serving Western interests and supported "in their brutal repression of all shades of Islamist activism in the name of eradicating terrorism."[87] Hence, it is clear that international financial flows and conditionality were motivated and influenced by geopolitical factors and not only by economic need,[88] with significant consequences on the extent of political freedoms in recipient countries as well as on the feeling of some individuals of being targeted by "the West" on the basis of cultural or religious considerations.

In conclusion, and as anticipated at the beginning of this chapter, proponents of structural adjustment programmes based on the tenets of the Washington Consensus can argue that the difficulties faced by reforming countries such as Egypt were not linked to the effects of neoliberal policies, but rather to the fact that they had not been implemented as they should have been. Egypt failed to build upon its successful stabilisation: the structure of its economy was never really transformed, so the export-led growth and employment that were needed to absorb an expanding labour force were never achieved. Indeed, the reform programme suffered from a loss of legitimacy in the eyes of the Egyptian population because of its negative effects, particularly Dutch disease-type effects,[89] unemployment, lack of social mobility, cuts in subsidies and reduced social protection. Overall, economic globalization brought about structural vulnerabilities that were further exacerbated by the impact of the 2007-8 Great Recession. Price hikes for basic commodities such as food and oil had a considerable impact, and the state's attempt at coping with them resulted in the increased fragility of current account balances. In addition, following economic globalization and privatisation, Egypt had become a net importer of food, so increased food insecurity meant rising hunger and poverty, and contributed to sparking the political uprisings of the Arab Spring. [90] Adding to its negative effects, the adjustment programme (and the connotation of

[84] *Ibid*., pp. 60-61.
[85] M. Al-Sayyid, *Politics and Economic Growth in Egypt 1950–2000*, Working Paper, Centre for the Study of Developing Countries, Cairo University 2003.
[86] L. Guazzone, D. Pioppi (eds.), *The Arab State and Neoliberal Globalization*, op. cit., p. 21.
[87] S. Niva, 'Between Clash and Cooptation: US Foreign Policy and the Spectre of Islam', *Middle East Report*, Fall 1998, p. 27.
[88] J. Harrigan, H. El-Said, *Aid and Power in the Arab World*, op. cit., pp. 10-35.
[89] The term "Dutch disease" is defined by the Collins dictionary as "the deindustrialization of an economy as a result of the discovery of a natural resource, as that which occurred in Holland with the exploitation of North Sea gas, which raised the value of the Dutch currency, making its exports uncompetitive and causing its industry to decline". Generally speaking, it refers to a situation in which sharp capital inflows and a booming sector negatively affect the performance of other sectors, especially the tradable sector.
[90] R. J. Heydarian, *How Capitalism Failed the Arab World*, op. cit., pp. 80-93. See also W. Bello, *The Food Wars*, Verso, London 2009.

"modernisation as westernisation" that accompanied it) was further discredited by perceptions that foreign – especially US - interventions, in the form of USAID dominance and geopolitical interests, hindered the country's development by supporting a corrupted government who had no intention to reform, and perpetuated Western economic dominance by imposing harmful reforms through the main international financial institutions.

Because of disillusionment with the failure of both socialism and capitalism to meet the rising expectations of the populations and provide them with a renewed sense of destiny and hope, particularly following the 1967 debacle, many have started to look at Islam as the only alternative ideology able to remake Arabs the masters of their own destiny and to challenge the ills of (neoliberal) globalization and modernisation, widely associated with imposed westernisation. Clearly, these associations have often little grip on reality, just like the conspiracy theories that are so widespread in the Arab region – as elsewhere; still, the nature of these associations as "perceptions" does not make them any less influential, as will be further explored in the next chapter. To be sure, the "revival of Islam" did not occur in the last few years nor did it originate from the challenges posed by globalization; nonetheless, it is undeniable that the mobilisation of discourses based on Islamic values was able to attract the destitute and the displaced by virtue of its principles of commonality, solidarity, and universalism, which strongly contrast with the highly individualistic values endorsed by neoliberalism and the main actor behind it, that is, the US.

II – THE SOCIAL IMPACT OF STRUCTURAL ADJUSTMENT: A QUANTITATIVE ANALYSIS

In the debate on globalization, various claims have been advanced on the progress made against poverty and inequality, with some voices arguing that they are falling, some maintaining that modest gains have been achieved, and others - the critics of globalization - claiming, on the contrary, that poverty and inequality have increased and are still rising. According to Martin Ravallion, these conflicting claims are due to differences in the definitions and concepts used, as well as in the data sources and measurements.[91]

Whether poverty is defined by focusing on the monetary dimension or intending it as deprivation matters, since the definition chosen influences the identification of the poor and the interventions deemed necessary. Monetary poverty[92] is about the resources needed to obtain goods and services, and it is usually measured by household consumption expenditure or income, while in the case of deprivation[93] the focus is on the realization and fulfillment of basic rights and needs since the concept includes aspects

[91] M. Ravallion, *The Debate on Globalization, Poverty, and Inequality. Why Measurement Matters*, Policy Research Working Paper 3038, World Bank, Washington DC, 2003.
[92] This is the most traditional definition of poverty, adopted in the late ninetieth and early twentieth century by Charles Booth and Seebohm Rowntree in their pioneering works on poverty in the cities of London (*Life and Labour of the People in London*, 3rd ed., 1902-03) and York (*Poverty, A Study of Town Life*, 1901; *Poverty and Progress*, 1935; *Poverty and the Welfare State*, 1951) respectively.
[93] The term poverty has been used by UNPD to refer to "a deprivation of human capability of essential opportunities and choices needed for the well being of an individual, household or community" (UNDP, *Human Development Report*, Oxford University Press, Oxford and New York 2002, p. 94).

such as social exclusion, lack of decent employment, and conditions that prevent individuals from achieving their potential. Three different dimensions of poverty can thus be identified: health (including nutrition, stunting and child mortality), education (years of schooling and school attendance), and living standards (cooking fuel, sanitation, water, electricity, overcrowded housing units).[94] An important distinction neglected by some commentators is the one between relative and absolute poverty, and choosing to measure one or the other has important implications. As emphasized by Ravallion, in fact, supporters of globalization tend to consider poverty as improving in absolute terms thanks to economic growth, while critics of globalization intend poverty in more relative terms and argue that growth-promoting policies are not enough, and that redressing the inequalities of opportunity engendered by increased openness through, for example, redistribution, is equally important.[95]

Drawing poverty lines based on household income and expenditure is the most widespread method to measure poverty. National poverty lines are usually higher in richer countries since a rise in income (and, by extension, consumption) implies changes in the minimum standards of living deemed acceptable in different societies. Hence, as poverty lines vary across countries, in the 1990s the World Bank has started to measure global poverty on the basis of what poverty means in poor countries, using the "1$/day" line - and later changing it to 1.25$ -, converted to local currencies using the latest PPP exchange rates.[96] As for today, the absolute poverty line is set at 1.90$ per person per day, in 2011 PPP. According to the World Bank, the PPP allows to compare the income (expenditure) needed in various countries to purchase a minimum basket of commodities. The aim is to identify those who are earning (or spending) less than 1$ PPP, who are, according to such measure, the "absolute poor" unable to satisfy their basic needs for survival in monetary terms, according to the definition of poverty provided by Amartya Sen.[97]

This global measure has been widely criticised for being a "one line fits all" approach, an extreme poverty line that led the World Bank to underestimate the extent of poverty. For one thing, and recalling the issue of definitions mentioned above, poverty does not only mean lack of income. On the basis of this assumption, Ray Bush has criticized the quantitative bias in research on poverty and called for increased attention to qualitative data collection. In addition, he has highlighted the fact that, according to PPP, poor people are able to purchase goods and services in their economies, whereas in poor countries goods are actually more expensive than services because of lower wages. Hence, poverty measurement should only include what the poor buy rather than present an average of all the goods and services purchased in a country, since this would give the impression that the most vulnerable social strata are wealthier than they actually are.[98]

[94] ESCWA, Expert Group Meeting to Explore Policy Alternatives for Post-Conflict Reconstruction and Economic Recovery, Beirut, 7-8 August 2018.
[95] M. Ravallion, *The Debate on Globalization, Poverty, and Inequality. Why Measurement Matters*, op. cit., pp. 4, 20.
[96] See World Bank, *World Development Report: Poverty*, Oxford University Press, New York 1990; and World Bank, *World Development Report: Attacking Poverty*, Oxford University Press, New York 2000.
[97] A. Sen, 'Issues in the Measurement of poverty', in *Scandinavian Journal of Economics*, 1979.
[98] R. Bush, *Poverty and Neoliberalism. Persistence and Reproduction in the Global South*, Pluto Press, London 2007, p. 17.

The relevance of the global poverty line adopted by the World Bank has also been questioned because of the accuracy of measurement results and the methodological challenges posed in various regions, including Latina America and the Arab world. According to the 2002 Arab Human Development Report, the MENA region had the lowest rates of poverty among developing regions, considering both the 1$ and 2$/day poverty lines, and one of the most equal income distributions worldwide, with a Gini index that has remained relatively stable since the 1980s.[99] However, several commentators have argued that these claims need to be tempered. According to a 2015 study led by the Economic Development and Integration Division of UN-ESCWA (Economic and Social Commission for Western Asia), the incidence of poverty under $2 PPP is higher in Least Developed Countries such as Comoros, Djibouti, Mauritania and the Sudan, while in middle-income countries such as Egypt, Iraq and Morocco extreme poverty rates are lower, between 1.7 and 3 per cent at $1.25 PPP. However, it is noteworthy that, moving along the scale from $1.25 to $2.75 PPP, poverty rates reach respectively 42, 44 and 30 per cent. This was shown to be true for the whole region: on average, moving along the scale from $1.25, poverty rates in the Arab region increase from 4 per cent to 19 per cent at $2 and to 40 per cent at $2.75.[100] This implies that the $1.25 and $1.90 PPP poverty lines do not adequately describe poverty levels in middle-income Arab countries such as Egypt. Most middle-income countries and upper-middle-income countries have, indeed, reported higher levels of vulnerability than poverty. In addition, in spite of the low poverty rate at $1.25 PPP, increasing rates of undernourishment have been observed,[101] pointing to the failure of global fixed poverty lines to capture deprivation in Arab countries. These results are considered as providing a more realistic picture of the levels of poverty and vulnerability in the Arab region compared to those obtained by applying the global poverty line of $1.25 PPP. In the case of Egypt, the significance of vulnerability is again proved by the study drafted by ESCWA, which categorises as "vulnerable" individuals in households between the lower and upper national[102] poverty lines, corresponding to $2.3 PPP and $3 PPP per day respectively. The report shows that the lower and upper poverty lines are close to the modal value (i.e. the most frequent value), which implies that any small shift in expenditure distribution would move a significant number of people from the category of "poor" to that of "vulnerable" and vice versa.[103] The situation of middle-income countries and the need to include shallow poverty (or vulnerability) in the measurement of poverty rates explain why, since October 2017, the World Bank has added two new poverty lines to the $1.90 PPP line: a lower middle-income International Poverty Line, corresponding to 3.20$ per day, and an upper middle-income International Poverty Line, corresponding to 5.50$ per day.[104]

[99] UNDP, *Arab Human Development Report. Creating Opportunities for Future Generations*, New York 2002.
[100] ESCWA, *Towards Better Measurement of Poverty and Inequality in Arab Countries: a Proposed Pan-Arab Multipurpose Survey*, Beirut 2015, p. 2. Calculations were made by the authors' and based on World Bank, *Povcalnet Database*, 2014.
[101] United Nations and League of Arab States, *Arab Millennium Development Goals Report: Facing Challenges and Looking beyond 2015*, ESCWA, Beirut 2013.
[102] National poverty lines provide more accurate measures of standards of living in individual countries, but pose challenges in terms of comparability across countries: indeed, the combination of food and non-food components considered for poverty measurement often vary from one country to another, without mentioning the influence exerted on measurement by political considerations.
[103] ESCWA, *Towards Better Measurement of Poverty and Inequality in Arab Countries*, op. cit., Figure IV, p. 5.
[104] F. Ferreira, C. Sánchez-Páramo, 'A richer array of international poverty lines', Development Talk, World Bank blog, 13/10/2017.

Ravallion further noted the challenges posed by poverty measurement methodologies, particularly related to the way in which the people living below the chosen poverty line are counted. The last decades have seen increased coverage and frequency of household surveys, since the scarcity of data had long been among the main difficulties for poverty measurement. These surveys, however, come with a number of problems, especially for what concerns their comparability, since some surveys measure well-being on the basis of income while others rely on consumption, thus ignoring inequalities within households. Furthermore, household distributions were prevailing in the 1960s and 1970s, while per capita distributions were more common in the 1980s and 1990s, thus making comparisons over time more challenging since household distributions typically show greater inequality. Hence, falling inequality from the 1980s and 1990s might actually reflect this shift from household to per capita distributions, rather than real changes in wealth distribution.[105]

Inequality is another concept that, like that of poverty, needs to be clarified. Similarly to what was highlighted above when discussing the idea of poverty, another fundamental distinction can be drawn between relative and absolute inequality: the first one depends on the ratios of individual incomes to the overall mean, and if all incomes grow simultaneously and proportionally then relative inequality remains stable. When trying to assess the effects of increased trade openness on inequality, economists typically refer to the concept of relative inequality to show that it remains unchanged since openness is "distribution neutral". However, how to justify perceptions that inequality is rising in the current era of globalization? The answer is provided when considering the concept of absolute inequality, defined as the absolute difference in incomes and levels of living, rather than on relative differences.[106] Studies and experiments have found that 40 per cent of participants think of inequality in absolute terms. The concept of absolute inequality is not "right" or "wrong" compared to that of relative inequality: both of them rather reflect different value judgments about what "inequality" means, and this highlights the significance of perceptions.

For the Arab world, as it was mentioned above, the notion of low and almost stagnant inequality (in expenditure) based on the Gini index has been challenged just like claims on low extreme poverty in the region. ESCWA's above-mentioned study shows that concentration of wealth in the hands of the elites connected to the State suggests increasing disparity in income and wealth. The authors argue that this hypothesis is supported by the growing divergence between the data provided by households expenditure surveys and the data provided in household final consumption expenditure from national accounts. In other words, increasing divergence between surveys and national accounts proves that inequality has grown over time.[107]

ESCWA's study also combined information on consumption expenditure from both national accounts and surveys to estimate the difference between the expenditure of the "rich" and the

[105] M. Ravallion, *The Debate on Globalization, Poverty, and Inequality. Why Measurement Matters*, op. cit., p. 12.
[106] "Consider an economy with just two household incomes: $1,000 and $10,000. If both incomes double in size then relative inequality will remain the same; the richer household is still 10 times richer. But the absolute difference in their incomes has doubled, from $9,000 to $18,000. Relative inequality is unchanged but absolute inequality has risen.", in *Ibid*., p. 5.
[107] ESCWA, *Towards Better Measurement of Poverty and Inequality in Arab Countries*, op. cit., Figure VI, p. 8.

consumption expenditure of the "poor", the "vulnerable", the "middle class" and the "affluent". On the basis of their calculations, the authors concluded that between 2000 and 2011 the ratio between the average expenditure of the "rich" and that of other classes has significantly increased: in Egypt, for instance, the ratio between the expenditure of the "rich" and that of the "middle class" rose from 5.7 to 7.4 over the decade. Moreover, the authors observed that the per capita expenditure of the "rich" was strikingly higher compared to that of the other population classes considered, so that the per capita expenditure of the Egyptian "rich" is 16, 11, 7.5 and 2.5 times higher than that of the "poor", the "vulnerable", the "middle class" and the "affluent" respectively.[108]

Non-income aspects of deprivation have received increasing attention in the last years, and appear to be particularly significant for a number of countries in the Arab region where, as we have seen, living conditions are not properly described by methodologies that only capture extreme poverty, which is more applicable to LDCs. In 1997, UNDP produced the Human Poverty Index (HPI), which included life expectancy, education and health. It was criticized, however, for its arbitrary weighing scheme and because it did not consider income. Hence, the HPI remained less popular than the Human Development Index (HDI), which should have been complemented by the HPI and aggregated income, health and education. In 2010, the HPI was replaced by the Multidimensional Poverty Index (MPI), created by the Oxford Poverty and Human Development Initiative (OPHI). In addition to access to health and education, the MPI measures basic standards of living rather than income, so it highlights the gap between income-based and multidimensional poverty even for countries that do relatively well in terms of income growth, such as Egypt and Morocco. Nonetheless, it is still considered of limited relevance to Arab countries because its methodology mainly captures extreme poverty, while the majority of MPI poor live in middle-income countries, especially in the Arab region where rates of vulnerability to income poverty are particularly high. Therefore, it is believed that the MPI should be adjusted with some indicators derived from household expenditure survey data and including unemployment to obtain more accurate results for Arab countries.[109]

The following paragraph builds on these methodological considerations to discuss the trends in poverty and the social welfare effects of Egypt's structural adjustment programme, including non-monetary welfare indicators in the analysis.

Poverty and welfare trends during structural adjustment in Egypt

In spite of the limitations of the welfare system that had been in place since the Nasserite revolution, Egypt has witnessed tremendous improvements in various dimensions of social welfare, including the protection of food security for the majority of the population through a system of generous subsidies. Nonetheless, it is important to note that, before the structural adjustment programme commenced, serious poverty still persisted in Egypt: World Bank's estimates in 1991 highlighted that only one in five of those

[108] *Ibid*., Figure VII, p. 8.
[109] *Ibid*, pp. 9-10.

in need was covered by the government social safety net for the poor, and that it was inadequate in the face of the risk of aggravated deprivation that macroeconomic adjustment entailed, particularly in terms of employment effects, price increases, and social services provision.[110] The poverty alleviation strategy proposed in 1991 by the World Bank to reduce the negative externalities of ERSAP particularly emphasised the need to better target[111] subsidies and social welfare expenditures to reduce costs and prioritise the needs of the most destitute. However, the strategy was not fully implemented: while health and education expenditure increased, the overall quality of the services declined; targeting was not improved significantly, and employment generation could not be sustained because of the already discussed slow and partial structural reform and the failure to stimulate export-led growth. Nonetheless, it is possible that trends could have been even worse, had nothing been done to address the economic crisis started in the late 1980s.

Tracking the poverty and welfare effects of the reform programme is not an easy task, partly because of the scarcity of data, and partly because poverty was a taboo topic during the reform period, at least at the beginning. Things started to change in the late 1990s, when the Egyptian authorities accepted to monitor poverty trends and two household income, expenditure and consumption surveys were carried out, first in 1995-6 and then in 1999-2000. The following paragraphs analyse the data collected by the World Bank, for which Egypt is classified as a lower middle-income country. **Figure I** shows poverty trends between 1990 and 2015, considering three different poverty lines: the absolute poverty line set at $1.90 in 2011 PPP, the lower middle-income International Poverty Line set at $3.20 in 2011 PPP, and the lower national poverty line, corresponding to $2.3 PPP.

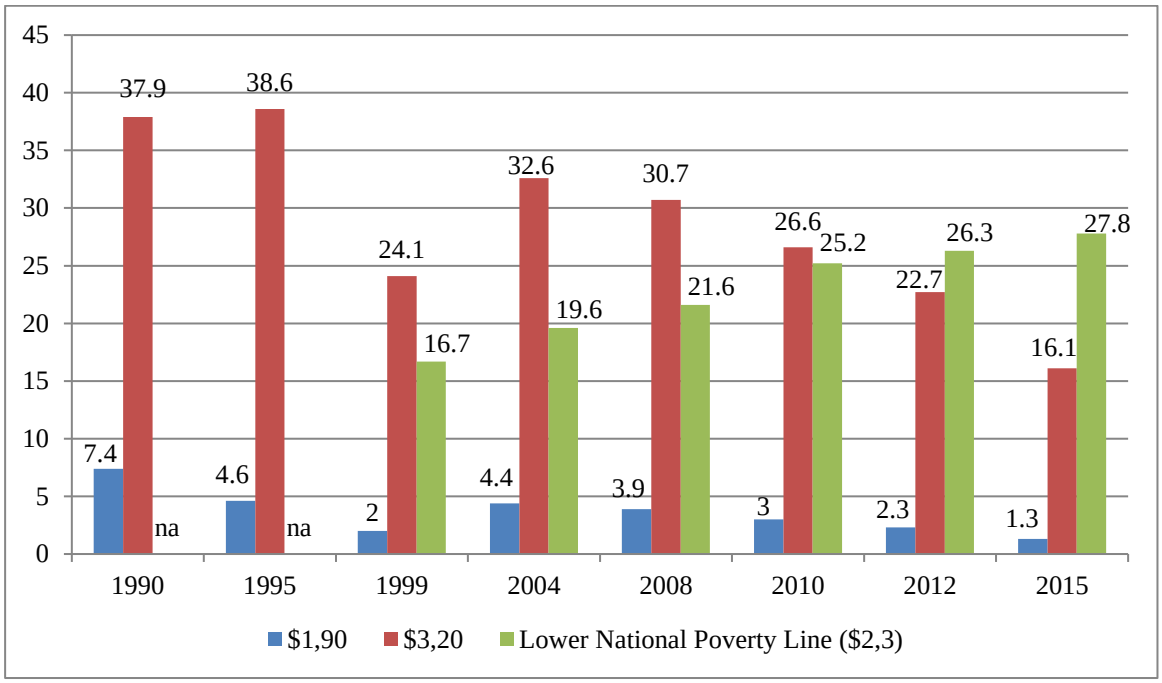
The graph shows that, while the $1.90 poverty line headcount improved in the first half of the 1990s, the significantly higher $3.20 poverty line headcount slightly worsened between 1990 and 1995, reaching 38.6 per cent (data on the lower national poverty line were not available for those years). This can be explained by considering the fact that the government had not yet sensitised itself to the issue of poverty and had accepted the short term negative consequences of stabilisation hoping that they would later be compensated by the trickle-down effect of successive growth. By contrast, the second half of the 1990s saw an unequivocal improvement in poverty rates, owing to the reduced government deficit and the more expansionary policy implemented after the first, harder part of stabilisation. Hence, at the turn of the millennium poverty stood at 24.1 per cent using the $3.20 poverty line and at 16.7 per cent according to

[110] World Bank, *Egypt – Alleviating Poverty during Structural Adjustment*, Report No. 9838, Washington DC 1991, p. 63.

[111] The concept of targeting is not one without problems, even when it comes to the appropriateness of the term itself. According to Stephen Kidd, "When people use the term targeting, what they are actually talking about […] is shorthand for different steps in a selection and registration process. Governments first set criteria for inclusion in programmes or public services; they then instigate an identification process in which people are assessed against the eligibility criteria for the scheme; finally, they register for the scheme those who have been selected. The concept of viewing recipients of public services as 'targets' to be hit corresponds well with a neoliberal concept of social policy, in which people receive 'assistance' as a form of government charity. It is much less appropriate within a paradigm in which public services are regarded as 'entitlements' offered to 'citizens'." (S. Kidd, 'Rethinking 'Targeting' in International Development', *Pathways' Perspectives*, Issue 11, October 2013, p. 1). In addition, and although logic would dictate otherwise, the rich rather than the poor are the main beneficiaries of poverty-targeting, whereas the poor benefit much more from universal schemes. See S. Kidd, *Who really benefits from poverty-targeting in social protection: the poor or the rich?*, Development Pathways Blog.

the lower national poverty line, while absolute poverty measured by the $1.90 line only reached 2 per cent of the population. The following years saw another worsening of poverty rates, particularly because of the intensification of neoliberal reforms occurred in 2004-5 with the Nazif government.

Figure I. Poverty headcount ratio based on 2011 PPP$ poverty lines and lower national poverty line (% of population)



Data source: World Bank

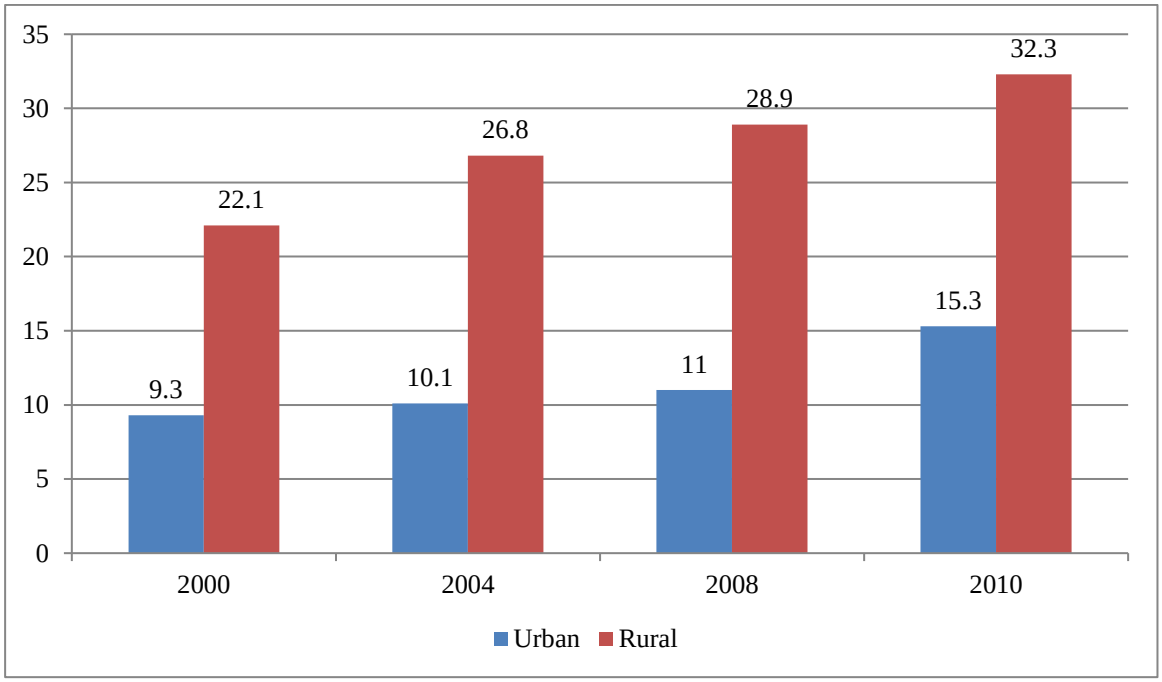
It is noteworthy that, while the $1.90 and $3.20 poverty line headcounts have started to decline again since 2008, poverty rates as measured by the lower national poverty line have increased steadily. Indeed, it is of the utmost importance to remember that, as previously discussed, poverty in Egypt is very shallow and that most people are clustered just between the lower ($2.3 PPP) and the upper ($3 PPP) national poverty lines; this means that accurate targeting could easily alleviate poverty, but also that any small shock or shift in expenditure distribution could move large numbers of people from the category of "vulnerable" to that of "poor".

The World Bank also disaggregated data on poverty between urban and rural areas, as shown in **Figure II**. In spite of the improvement experienced by the nation as a whole in the second half of the 1990s, the gap between urban and rural areas remained significant. In addition, regional trends show that metropolitan areas and Lower Egypt were the areas that experienced most poverty reduction, while in Upper Egypt poverty increased from 10.8 to 19.3 per cent in urban areas and from 29.3 to 34.2 per cent in rural areas.[112] Overall, poverty in Egypt has increased since the early 2000 and particularly since the 2003 currency devaluation and ensuing rising prices, coupled with subsidies reductions and the slowdown in

[112] World Bank, *Arab Republic of Egypt – Poverty Reduction in Egypt: Diagnosis and Strategy*, Vol. 1 Main Report, Report No. 24234–EGT,Washington DC 2002, p. vi.

economic growth that led to a fall in average per capita incomes. Declining incomes, in turn, have had severe implications for the living conditions of that large proportion of the population living just above the poverty line and that is consequently more exposed to the risk of deprivation.

Figure II. Urban and rural poverty headcount ratio at national poverty lines (% of urban and rural population respectively)



Data source: World Bank

In line with the already mentioned importance of non-income deprivation, we can now complement the analysis with non-monetary social welfare indicators. As poverty is mostly found among less educated individuals, the levels of literacy and educational attainment are important correlates of the money metric to assess poverty trends. Primary and secondary gross enrolments exhibit trends similar to one another, as shown in **Table 2**, with enrolment rates declining in the first half of the 1990s and later increasing steadily - with the exception of secondary gross enrolment, that fell from 78.9 per cent in 2004 to 66.6 per cent in 2009, before rising again. As for the levels of literacy presented in **Table 3**, both youth and adult literacy rates kept improving, with a mild slowdown between 2005 and 2010, although towards the end of the 1990s they were still low at 73.2 and 55.6 per cent respectively.

Table 2. School enrolment, primary and secondary (% gross)[113]

School enrolment (% gross):	1990	1995	1999	2004	2009	2012	2016
Primary	89.1	85.4	91	96.3	104	103	103.6
Secondary	72.2	71.1	78	78.9	66.6	80.7	85.9

Data source: World Bank

Table 3. Literacy rate, youth and adult

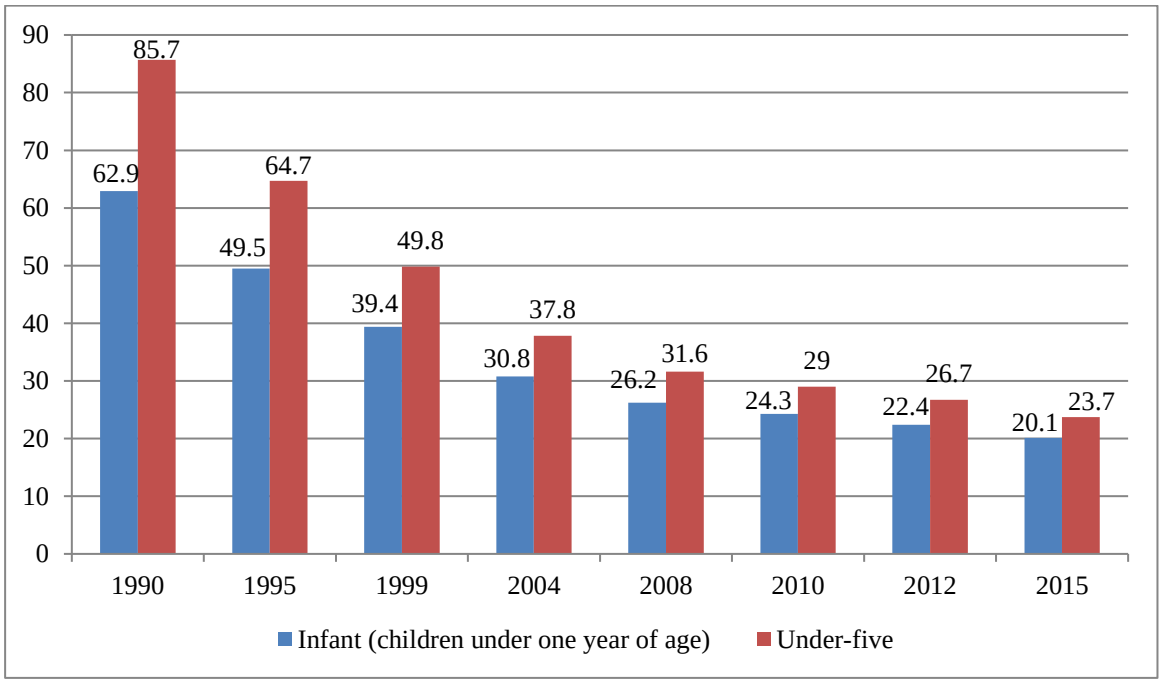
Literacy rate, total:	1986	1996	2005	2010	2013
Youth (% of people ages 15-24)	63.3	73.2	85	87.5	92
Adult (% of people ages 15 and above)	44.4	55.6	71.4	72	75

Data source: World Bank

Another important non-monetary indicator in poverty studies is that of health, especially concerning early stages of life. While mortality rates of children under one and five years of age have improved steadily since 1990 (**Figure III**), the percentage of under-five stunting and wasting increased alarmingly in the early 1990s, and while by 2003 they appeared lower, both malnutrition and stunting remain serious problems even in the most recent years (**Figure IV**). The increase in the percentage of malnourished and underweight children that characterized the first half of he 1990s appears to be linked to trends in poverty, which increased in the same period, when stabilisation was pursued at the expense of social welfare.

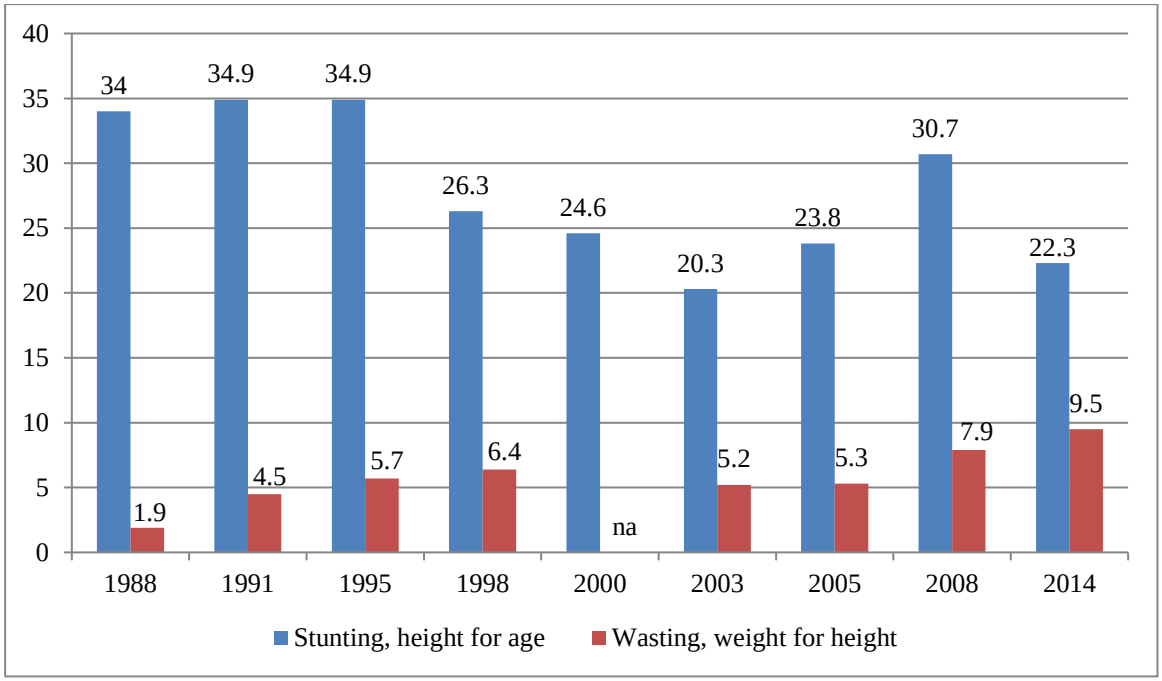
[113] Gross enrolment ratio is the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.

Figure III. Infant and under-five mortality rates (per 1,000 live births)



Data source: World Bank

Figure IV. Prevalence of stunting and wasting (% of children under 5)[114]



Data source: World Bank

[114] Prevalence of stunting is the percentage of children under age 5 whose height for age is more than two standard deviations below the median for the international reference population ages 0-59 months. Prevalence of wasting is the proportion of children under age 5 whose weight for height is more than two standard deviations below the median for the International reference population ages 0-59 months.

Overall, most health and education indicators did not worsen during the reform period because the government actually increased health and education expenditure. However, although this alleviated some of the negative effects of structural adjustment, the system was still characterized by factors that made it unsustainable in the longer term. Instead of strategic planning, in fact, the welfare system consisted in political "giveaways" such as pay increases to public workers, selective urban upgrading, and increases in subsidies. Bayat noted that this approach intensified in the 2000s, especially to counter the growing popularity of social welfare provided by Islamist groups such as *al-Jama'a al-Islamiyya* in the poor Cairo community of Imbaba.[115]

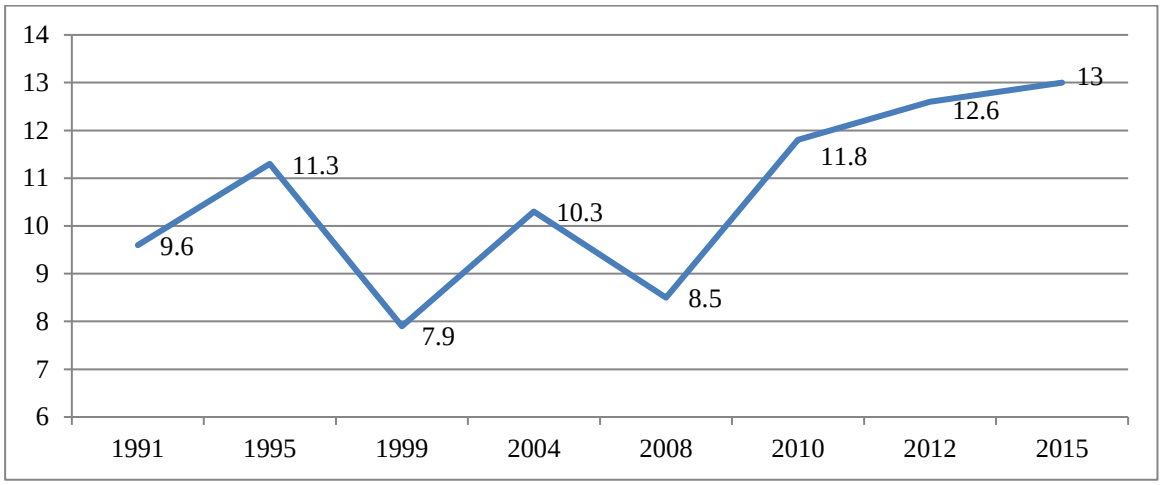
The need to include unemployment as an indicator of social welfare has already been emphasised when discussing the Multidimensional Poverty Index. **Figure V** shows that, in the first half of the 1990s, overall unemployment increased by around two percentage points, reaching 11.3 per cent in 1995, and then dropped to 7.9 per cent in the second half of the 1990s. This trend of increased (decent?) employment corresponded to a decline in poverty, and was linked to the growth achieved in those years, which was employment intensive, but unsustainable in the longer term: as already discussed, in fact, employment gains did not correspond to any improvement in productivity, and at the same time wages declined. Supporters of neoliberalism have argued that these negative effects were due to the fact that Egypt remained an inward-looking economy, concentrated on non-tradable sectors, that failed to stimulate export-led growth and develop sustainable sources of income growth, thus leaving less and less room for employment opportunities for an expanding labour force. To be sure, Egypt is actually a classic example of differential integration and subordination within capitalist and global value networks.[116] *Infitah* and ERSAP policies, in fact, significantly reduced the autonomy of the national economy, limiting the scope for government intervention in both social protection and production, especially manufacturing, and therefore exposing workers to the volatility of global markets.

Looking again at **Figure V** it can be seen that, with the beginning of the new millennium, unemployment rose once more and reached 10.3 per cent in 2004 before declining again. After 2008, the global financial crisis further exposed the shortcomings of the Egyptian economy, and unemployment quickly rose and reached 13 per cent in 2015.

[115] A. Bayat, 'The Political Economy of Social Policy in Egypt', op. cit., p. 143.

[116] "For Arab countries, globalisation has mainly implied greater inclusion, in a subordinate position, in a renewed global order. The current situation bears many analogies with the epoch of the so-called first globalisation, that is the period of European colonial expansion in the Middle East (1870-1914). Then, as today, the directions of political and economic change and the ensuing processes of state formation and transformation were largely determined by the capacity of local actors to adapt or react to external pressures for reform and by the intended and/or unintended effects of these interactions.", L. Guazzone, D. Pioppi, 'Globalisation and the Restructuring of State Power in the Arab World', in *The International Spectator*, vol. 42, No. 4, Dec. 2007, pp. 509-523.

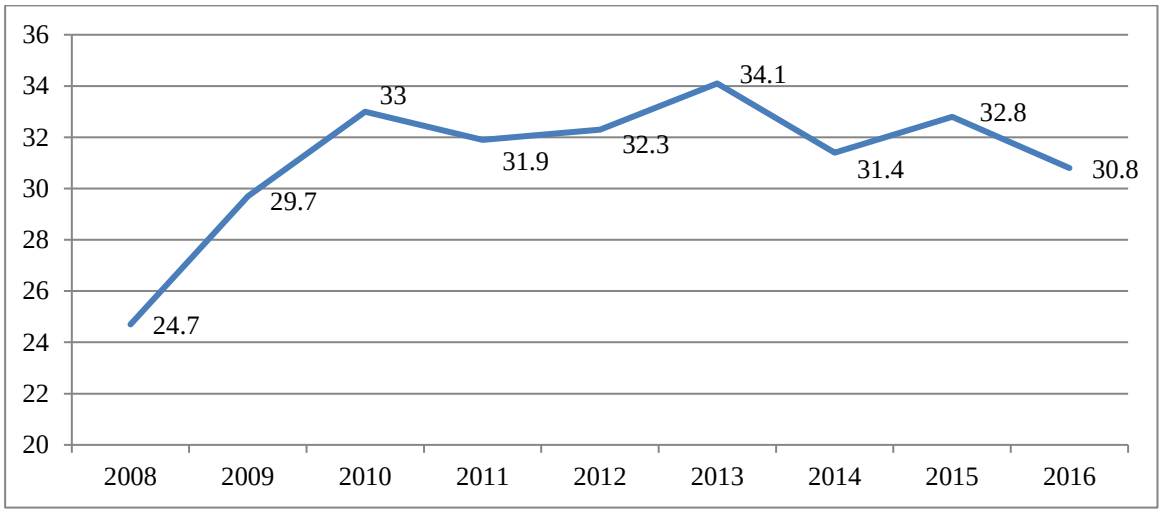
Figure V. Unemployment rates, total (% of total labour force)



Data source: World Bank, modelled ILO estimate

What is particularly noteworthy, despite the availability of relevant data starting only from 2008, is the sky-high unemployment of the Egyptians with advanced education (a problem existing at least since the mid-1970s)[117] shown in **Figure VI**, if only to understand the frustration of a young and ambitious labour force that believed educational and personal achievement were sufficient conditions for social mobility, a frustration that undoubtedly contributed to the outbreak of the 2011 uprising and that will be explored in greater detail in Chapter 5.

Figure VI. Unemployment with advanced education (% of total labour force with advanced education)



Data source: World Bank

[117] See, for instance, C. R. Wickham, *Mobilizing Islam: Religion, Activism, and Political Change in Egypt*, Columbia University Press, New York 2002, pp. 36 ff.

In conclusion, it appears that Egypt experienced mixed results in terms of the poverty and welfare effects of the structural adjustment programme. In the first half of the 1990s, the government favoured stabilisation over social welfare and, as a result, poverty and other indicators such as child malnutrition and unemployment increased. The second half of the 1990s experienced, instead, progress in poverty – but not according to the lower national poverty line, as seen in **Figure I** –, employment, health and education, although Upper Egypt and rural areas did not benefit in the same way, with poverty rates actually increasing. Furthermore, poverty rates have been on the rise again since the early 2000s for the country as a whole, in spite of the fact that, as estimated by the World Bank, private transfers from charitable and religious organisations had such a strong impact on poverty reduction that nearly half the recipients in Metropolitan and urban areas in Lower Egypt would have been poor without them.[118] The new increase in poverty was due to the fact that the growth, employment creation and low inflation that contributed to reducing poverty between 1995 and 2000 were based on a fragile expansionary strategy that relied on domestic demand instead of a more deep-seated structural reform of the economy. This, coupled with the fact that the poverty alleviation strategy proposed by the World Bank in 1991 was not fully implemented, gives therefore the impression that there is no direct causal link between the implementation of ERSAP and the failure of the Egyptian authorities to reduce poverty, but rather that responsibilities are to be identified in the shortcomings of the country's economy and the government's unwillingness to reform.

Still, the opposite – that is, claims that the implementation of structural adjustment only had positive outcomes – cannot be fully supported either: it would be biased to argue that poverty improved in the second half of the 1990s thanks to ERSAP, as it was a period of reduced reform and rather characterised by expansionary fiscal and monetary policies. Conversely, the early 1990s, the period of more serious reform and rapid stabilisation, saw a worsening of poverty as shown by the indicators we have considered. Hence, alternative interpretations can be advanced to try to provide more nuanced and balanced judgements. According to Ray Bush, for instance, the way in which Arab economies are incorporated into and dependent on the contemporary capitalist world economy is an explaining factor as much as the failure and reluctance of Arab regimes to give up rentier politics and everything they entail, from Dutch disease effects to vulnerability to trade fluctuations, high military expenditures and increased securitisation.[119] Differential incorporation and subordination to the interest of capital – and especially American capital – in the region were paralleled by imperialist military aggressions, and attempts to explain the US military presence have relied on both "the rhetoric of the war on terror... [and] the increasing ideological assertion of the virtues of neoliberal economics."[120] Hence, not surprisingly, many Egyptians have considered the trends of the last decades as a whole and felt that their living conditions have worsened since the reform programme commenced in 1991. According to a survey mentioned by

[118] World Bank, *Arab Republic of Egypt – A Poverty Reduction Strategy for Egypt*, Report No. 27954–EGT,Washington DC 2004, p. 39.
[119] R. Bush, *Poverty and Neoliberalism. Persistence and Reproduction in the Global South*, op. cit., p. 3.
[120] *Ibid*., pp. 22-23.

Saad Eddin Ibrahim, at the end of 1993 more than one half of the Egyptians sampled felt that their living conditions had worsened compared to the previous year, while two thirds of the respondents felt that their living standards had deteriorated over the preceding five years. These impressions are particularly significant because they are shared by the vast majority of Egyptians, made up by the "short-run 'losers' in ERSAP": the lower-middle classes and particularly vulnerable categories such as the workers and public sector white-collars, the rural and urban poor, those who relied on fixed incomes and subsidised goods and services, and the educated and unemployed youth.[121]

Worsened poverty, the declining quality of social services, disillusionment with a government that was supposed to take care of its citizens and resentment against foreign powers that pushed neoliberal reform and supported the regime have led many to look for alternative sources of poverty alleviation, social welfare provision and solidarity. Before going deeper into the issue of perceptions and their relation with recent history, it is worth discussing whether the declining state provision of social welfare brought about by structural adjustment reforms has resulted into an increased activism of civic groups, particularly faith-based organisations, and strengthened political Islam.

Alternative sources of welfare provision and the role of political Islam

As we have seen, the limits of the Egyptian state to guarantee social services and rights have been exposed by a number of trends: economic liberalisation, fiscal pressure, substantial population growth, and the rise of a new middle class who saw its aspirations to social mobility largely thwarted. Although the government protected health and education expenditures during the reform period, they remained lower as a percentage of GDP compared to other countries; as a result, public welfare provision left behind consistent gaps in both quality and coverage, which were increasingly addressed by a multitude of non-state actors, especially faith-based organisations.[122] These organisations can include religious institutional bodies such as mosques and churches, but also political parties and movements, and they mainly provide education and health services or cash transfers, in the attempt to reach those who are not covered by public welfare and cannot pay for private services. The private sector, in fact, only addresses the issue of service quality, and only for those who can afford those services, with the risk of exacerbating unequal access to quality welfare.

Estimating the size and contribution of civil society organisations to the provision of social welfare is particularly challenging owing to the scarcity of relevant data. In spite of an increased contribution since the 1980s, civil society welfare provision has a long tradition in Arab countries (cf. Chapter 3). Faith-based organisations are particularly active in this sense, since religions are not merely belief systems, but they also emphasize and practice values such as solidarity and mercy. The case of Islam appears particularly relevant to our analysis: if Christianity, according to a "telegraphic" definition

[121] S. E. Ibrahim, *Egypt, Islam, and Democracy. Critical Essays*, The American University in Cairo Press, Cairo 2002, p. 136.
[122] D. Sullivan, *Private Voluntary Organisations in Egypt: Islamic Development, Private Initiative and State Control*, University Press of Florida, Gainesville 1994, pp. 57-58.

provided by historian Pier Giovanni Donini, is the religion of "love thy neighbour", Islam can be considered as the "religion of justice".[123] Thus, the engagement of faith-based organisations – not only Islamic - in the areas of social protection and assistance is not surprising.

In some Arab countries, governments encourage the participation of civil society to welfare provision, whereas in other cases such participation is more spontaneous. In Egypt, the government liberalised registration for NGOs in the 1980s, to reduce government spending for welfare provision by letting civil society fill the gaps. Hence, at first civil society increased its contribution as part of a government strategy aimed at "managing state retreat from basic social functions and the resulting change in the distribution of resources towards a more elitist model", [124] although in the 1990s the regime limited again the registration of NGOs, subjecting them to tighter controls. As for today, there exist strategic partnerships such as the public funding of Al-Azhar schools, which function in parallel to public schools but with greater emphasis on religion.

In a recent report, the Social Development Division of ESCWA explored the "welfare mix" of social protection and services provided by various actors in Arab countries.[125] After considering public and private sector provision of social services, the report looks at civil society providers, particularly religious institutions such as *zakat* funds and faith-based organisations, both Coptic and Islamic, which often have more extensive networks compared to their secular counterparts. Many provide services at affordable prices and are thus able to fill certain gaps left by the public and private sectors, providing better quality services than the first and at more affordable prices than the second. Nonetheless, they suffer from shortcomings similar to those of the public sector, including underfunding, fragmentation and insufficient targeting. In addition, faith-based organisations' services provision entails the risk of deepening sectarian divides and increasing the undue influence of religious movements: in some cases, in fact, the provision of services like healthcare can reinforce the alliance to a certain group, such as the Muslim Brotherhood or Hezbollah, and religious education is often linked to charitable activities. Moreover, access to services and hand-outs is sometimes conditional and subject to rules such as a particular dress code, moral codes of conduct or attendance of religious instructions.[126]

Various studies, interviews, secondary sources and the media have suggested that faith-based welfare provision has increased during the structural reform period in Egypt in parallel to the decline of state provision. According to Harrigan and El-Said, when ERSAP commenced there were 14,000 registered NGOs, including faith-based organisations, of which 11,000 were active; by 2000, their

[123] P. G. Donini, *Il Mondo Islamico. Breve Storia dal Cinquecento ad Oggi*, Laterza, Roma-Bari 2003, p. 262. Suffice it to mention, speaking of sense of justice, that the founder of the Muslim Brotherhood, Hasan al-Banna, while teaching in Isma'iliyya – the administrative centre of the Suez Canal Company and of the British military presence in Egypt – could observe the stark contrast between the affluence enjoyed by European officers and the destitute living conditions of the majority of the Egyptians. The deriving economic inequalities and social tensions were easy to exploit, which explains the success of the Muslim Brotherhood and of the movements it inspired much better than any resort to the category of "religious fundamentalism".

[124] D. Pioppi, 'Privatisation of Social Services as a Regime Strategy. The Revival of Islamic Endowments (Awqaf) in Egypt', in O. Schlumberger (ed.), *Debating Arab Authoritarianism*, op. cit., p. 130.

[125] ESCWA, *Towards a New Welfare mix?*, op. cit.

[126] ESCWA, *Report on the Arab Forum Towards a New Welfare Mix: Rethinking the Roles of the State, Market and Civil Society in the Provision of Basic Social Services*, Beirut, 19-20 December 2012, par. 35.

number had reached 20,000, including 3,000 CDAs (community development associations);[127] according to the authors, such increase supports the hypothesis that NGOs providing welfare and development services have mushroomed in Egypt in the last decades of the twentieth century and especially during the ERSAP period.[128] Furthermore, personal interviews conducted by Harrigan and El-Said in Cairo in 2004 indirectly prove the increased activity of these organisations following the recession of the early 2000s: according to them, the absence of both extreme poverty and food riots such as those of the 1970s was not due to government intervention, subsidies or private sector provision of social services, but rather to the diffusion of community-based (and mainly religious) groups that filled the gaps left by public and private welfare providers.[129] Examples of faith-based organisations that have branches throughout Egypt are provided by Sullivan and Abed-Kotob and include The Young Men's Muslim Association (*Jam'iyyat al-Shaban al-Muslimin*) and The Lawful Religious Association for Those Who Behave According to the Book (*Al-Jam'iyya al-Shar'iyya li-l-'Amilin bi al-Kitab wa al-Sunna al-Muhammadiyya*).[130]

In the realm of education, faith-based organisations' activity in Egypt has a very long tradition: not only does it include the system of Al-Azhar schools mentioned above, but also schools run by various churches that have been active since the XIX century; as for the Muslim Brotherhood, in 2011 it was managing 30 schools throughout the country.[131] Healthcare is another area in which the role of faith-based – and particularly Islamic – organisations has grown consistently in the last few decades, and ESCWA's study reported that around 20 per cent of these charities are affiliates of the Muslim Brotherhood.[132] Hospitals managed by faith-based organisations have the reputation of providing better quality treatment compared to public facilities, to the point that many patients are more willing to pay for treatment provided by private faith-based associations and reportedly go to Islamic hospitals precisely because they are Islamic.[133]

In addition to the affordable cost of the services they provide and the trust they enjoy, particularly in times of limited state capacity, civil society and religious organisations are often very flexible in their response in cases of emergency and have strong organisational capacities, since they usually benefit from large networks of volunteers and links with professional syndicates. A clear example is provided by the comparison between the government's belated and inadequate response in providing shelter, food and

[127] J. Harrigan, H El-Said, *Economic Liberalisation, Social Capital and Islamic Welfare Provision*, Palgrave MacMillan, New York 2009, p. 100.
[128] See also A. Bayat, 'The Political Economy of Social Policy in Egypt', op. cit., p. 150; D. Sullivan, *Private Voluntary Organisations in Egypt*, op. cit., pp. 56, 154.
[129] J. Harrigan, H. El-Said, *Economic Liberalisation, Social Capital and Islamic Welfare Provision*, op. cit., p. 100.
[130] D. Sullivan, S. Abed-Kotob, *Islam in Contemporary Egypt: Civil Society vs the State*, Lynne Rienner Publishers, London 1999. To be sure, the same period did not only see the activism of religious movements, but also the eruption of labour movements, protests and strikes at an unprecedented rate since the 1930s. See for instance J. Beinin, H. El-Hamalawy, 'Egyptian Textile Workers Confront the New Economic Order', *Middle East Report Online*, 25.03.2007; J. Beinin, H. El-Hamalawy, 'Strikes in Egypt Spread from Center of Gravity', *Middle East Report Online*, 9.05.2007; H. El-Hamalawy, 'Comrades and Brothers', *Middle East Report* 242, Spring 2007.
[131] D. Pioppi, *Is There an Islamic Alternative in Egypt?* IAI Working Papers 11, Istituto Affari Internazionali, 2011, p. 9.
[132] ESCWA, *Towards a New Welfare mix?*, op. cit., p. 60.
[133] D. Sullivan, *Private Voluntary Organisations in Egypt*, op. cit., p. 79.

relief to the victims of the 1992 earthquake in Cairo and the floods that hit the county in 1994, while the Muslim Brotherhood's interventions were considerably faster and more visible.[134]

All the studies considered in this section point to the fact that the welfare activities of Islamic organisations have earned Islamist movements in Egypt a *political* capital that was immediately perceived as a threat by the regime, especially in the context of growing popular dissatisfaction with state performance and increasing inequality.[135] On the basis of her study on poor areas in Cairo, Singerman argued that faith-based welfare provision often becomes political, also by virtue of the complex relations established by charitable organisations with powerful figures, politicians, institutions and religious groups who have an interest in the bases of support these organisations are able to create within the community.[136] The same can be argued about Upper Egypt, where we have seen that poverty has increased in spite of the partial improvements experienced by the rest of the country between 1995 and 2000. As reported by Harrigan and El-Said, parts of Upper Egypt such as Assiut were the areas in which Islamic welfare and political support for the groups that provided those services were the strongest; they also became havens for Islamist militants and witnessed several attacks against police officers, banks and tourists.[137]

The organisation that has gained the most from its welfare activities in terms of political support was, undoubtedly, the Muslim Brotherhood.[138] The movement was not new on Egypt's political landscape: founded by Hasan al-Banna in 1928, it had its ideological forerunners in Jamal al-Din al-Afghani, Muhammad 'Abdu, and Rashid Rida, leading figures in the Arab-Islamic intellectual landscape between the nineteenth and twentieth centuries (cf. Chapter 1).[139] According to al-Banna, Islam is perfectly self-sufficient, able to produce its own modernity without the need to borrow foreign cultural and institutional forms and, most importantly, able to prove its superiority compared to the European models. Al-Banna was in fact convinced that the influence exerted by European civilisations and their materialism had caused Muslims to lose sight of the true faith. Through his criticism of Islamic societies, that he considered corrupted, and by interpreting modern concepts and institutions in Islamic terms ("Islamic State", "Islamic economics", "Islamic republic" and so on), al-Banna transformed Islam into a political ideology, giving rise to Islamism. The underlying premise, in fact, is that Islam is state and politics, meaning that there is no separation between state and religion.

Although it was banned as a political party in the 1950s, the Brotherhood could always put forward its own candidates at the elections, even as members of other parties; through its social welfare

[134] J. Harrigan, H El-Said, *Economic Liberalisation, Social Capital and Islamic Welfare Provision*, op. cit., p. 107.
[135] I. Bibars, *Victims and Heroines: Women, Welfare and the Egyptian State*, Zed Books, London and New York 2001, p. 15.
[136] D. Singerman, *Avenues of Participation: Family, Politics and Networks in Urban Quarters of Cairo*, The American University in Cairo Press, Cairo 1997.
[137] J. Harrigan, H. El-Said, *Economic Liberalisation, Social Capital and Islamic Welfare Provision*, op. cit., pp. 106-107.
[138] For an account of the ideology of Hasan al-Banna and the Brotherhood see R. P. Mitchell, *The Society* of *the Muslim Brothers*, op. cit.
[139] It is important to continuously highlight this historical continuity, since it exposes the simplistic and misleading nature of concepts such as the "revival", "return" or "resurgence" of Islam, terms often used to underline the abrupt discovery (mostly only in Western social science) of the success of modern Islamic movements, which, as a result, gives the impression that such movements spring out of nowhere, while the debate on the relation between Islam and politics is actually as ancient as Islam itself.

activities in education and healthcare, by running schools, hospitals and clinics attached to mosques, and providing Koranic instruction and various other services throughout the country, it earned a reputation of honesty and competence that made it the main effective opposition to Mubarak's National Democratic Party, perceived by the population as corrupt and self-serving. In addition, the Muslim Brotherhood could count on its control of the professional syndicates of teachers, doctors, engineers and lawyers, which played a fundamental role in distributing welfare.[140] The extension of the Brotherhood's networks, the affordable prices of its services, and the resort to religious values of justice, mercy, solidarity and responsibility towards the needy, embodied in their slogan "*al-Islam huwa al-hall*" (Islam is the solution) attracted the Egyptian people, most of whom are very religious and had been disappointed by the failure of the "forces of secularism" to guarantee the social rights and services they had promised.[141] The Muslim Brotherhood could also benefit from the lack of credible alternatives, since other Egyptian parties were weak, fragmented and ineffective. Following the increased militancy and the attempt on Mubarak's life in 1995 (for which the radical group *al-Jama'a al-Islamiyya* declared responsibility), the regime cracked down on the Islamist, without discriminating between radical groups and movements that had given up violence, including the Brotherhood. Nonetheless, in the 2005 election the Muslim Brotherhood was able to win 88 seats in the People's Assembly, an event that marked its confirmation as the main opposition force against Mubarak's regime. State repression was, indeed, another factor that further strengthened the political appeal of faith-based organisations such as the Muslim Brotherhood, perceived as closer to the needs and interests of the poor and the vulnerable, neglected by the government and its inegalitarian policies.

The Brotherhood's concern with the most destitute had already emerged during Sadat's *infitah*, with open accusations to the regime for its injustice and ineffectiveness in dealing with the country's socio-economic problems.[142] Since then, the Muslim Brotherhood has continued to denounce the regime's corruption and injustice and has increased its welfare activities, enjoying rising public support. Its overt criticism was also directed against other major policies of the Egyptian regime: the conciliation with Israel and the global alliance with the West and the US in particular. In the Muslim Brotherhood's magazine "*Al-Da'wa*" (The Call), the US was defined as "the leader of the international crusade and neo colonialism. […] The United States implements its scheme through both its own CIA and client Muslim rulers, who sold out their religion, country, nation, and honor."[143] It is clear, by reading the Brotherhood's publications, that such animosity was owed to the hypocrisy of Western powers that advocated

[140] A. B. Soage, J. Fuentelsaz Franganillo, 'The Muslim Brothers in Egypt', in B. Rubin (ed.), *The Muslim Brotherhood. The Organization and Policies of a Global Islamist Movement*, Palgrave Macmillan, New York 2010, pp. 43-44.
[141] D. Sullivan, *Private Voluntary Organisations in Egypt*, op. cit., p. 93.
[142] The editor of one of the Brotherhood's publication, "Al-Da'wa", wrote in 1977: "These tremendous fortunes of the few, with its opulent display for everyone to see, and which the rich are spending conspicuously on luxurie […] could it not have eased the hardship of the needy. […] If we do not take from the rich to spend on the poor are we not violating the dicta of the Holy Quran? Are we not subjecting our nation and government to God's wrath? […] The Infitah would have helped in solving part of our serious crisis had it been devoted to productive enterprises rather than luxury items which aggravate the hardship. And these embezzlements which we read about every day could have been eradicated if the pure and the faithful were in charge." (O. al-Tilmisani, 'Should Muslims Go Hungry, No One Is Entitled to Wealth', *Al-Da'wa*, February 1977, p. 7, quoted in S. E. Ibrahim, *Egypt, Islam, and Democracy. Critical Essays*, op. cit., p. 40.)
[143] Al-Da'wa, May 1981, p. 61, quoted in S. E. Ibrahim, *Egypt, Islam, and Democracy. Critical Essays*, op. cit., p. 45.

democracy and, at the same time, continued to support the corrupt and repressive regimes that were their allies in the region, giving a blind eye to human rights violations and the suppression of all forms of opposition. As summarised by Saad Eddin Ibrahim:

> The MB [Muslim Brotherhood]'s antagonism toward the West is predicated on several grounds: the West's continuous encroachment on Dar al-Islam and the humiliation of Muslims, its support of Israel, its secular influence which dilutes Islamic culture, and its alleged role in the persecution of the MB in Egypt during the 1940s and 1950.[144]

The emphasis on the concepts of humiliation and Islamic culture are particularly significant and mirror the fact that Islam was more and more considered (although not for the first time in history) as a solution to the socio-economic problems that, in these particular historical circumstances, socialism and capitalism had failed to address.[145] It is noteworthy that, because globalization has occurred at the same time as the international financial institutions' insistence on the need to reduce state intervention in the area of social welfare, it has come to be associated with neoliberal policies tout court, and Islamic movements have gained strength by opposing the factors that are widely perceived as the forces behind the persisting and growing poverty and inequality, that is, Western capitalism and globalization itself. This trend was confirmed in March 2004, when Mahdi Akif, the new Brotherhood's general guide after Hasan al-Hudaybi, presented a manifesto that, among other things, offered Islam as a solution to the moral crisis linked to the abandonment of traditional values and Western influence, criticised the regime for the slow implementation of reforms, and accused the Bush administration of undue interference.[146]

To summarise, the political success of faith-based organisations and Islamic movements can be attributed to their organisational capacities, as well as their ability to "mobilise Islam" and foster social capital in their societies. In her study on the evolution of the Muslim Brotherhood, Carrie Wickham has emphasised the importance of the "micromechanisms of mobilisation", that is, the ways in which movements can attract new members. She argued that motivation to join groups and movements is often induced by individual interest, by the benefits that can be derived from membership, and that at a second stage integration into Islamist networks facilitates the absorption of new ideas and the commitment to particular values, beliefs, and perceived moral duties and obligations.[147]

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[144] S. E. Ibrahim, *Egypt, Islam, and Democracy. Critical Essays*, op. cit., p. 45.

[145] To be sure, as reported by Harrigan and El-Said, the Muslim Brotherhood and other Islamic parties in countries such as Jordan and Morocco were not necessarily hostile to the reforms supported by the IMF and the World Bank: "Rather they had a mercantilist philosophy, derived from the fact that the Prophet himself was a merchant, and supported market led reforms so long as they did not exacerbate poverty and inequality." (J. Harrigan, H. El-Said, *Economic Liberalisation, Social Capital and Islamic Welfare Provision*, op. cit., p. 182) Hence, it is important that economic decisions pass through a moral filter; on the ethical foundations of Islamic economics see for instance I. Sirageldin, *Islam, Society and Economic Policy*, Working Paper 9529, Economic Research Forum, 1995; S. N. H. Naqvi, *Islam, Economics and Society*, Kagan Paul International, London and New York 1994; C. Tripp, *Islam and the Moral Economy: The Challenge of Capitalism*, Cambridge University Press, Cambridge 2006.

[146] A. B. Soage, J. Fuentelsaz Franganillo, 'The Muslim Brothers in Egypt', in B. Rubin (ed.), *The Muslim Brotherhood. The Organization and Policies of a Global Islamist Movement*, op. cit., p. 50.

[147] C. R. Wickham, *Mobilizing Islam: Religion, Activism, and Political Change in Egypt*, op. cit., p. 150.

The ability of faith-based organisations and movements to foster social capital played, indeed, a major role in their political success. For one thing, these organisations are among the very few forms of voluntary association available for citizens, and by committing to the provision of primary safety nets, faith-based organisations can gather important information on the location of the poor and their needs, which often makes them much more responsive than the State. In addition, the moral foundation of religion, its emphasis on social justice and collective responsibility for the welfare of society, as well as its capacity to provide "a unifying factor, a sense of identity and rootedness for both individuals and groups",[148] have reinforced the belief that "Islam is the solution". As Richards and Waterbury have argued, today political Islam is considered as "the new nationalism in Arab countries... [which] arose out of the failure of the old order."[149] To be sure, the success of political Islam cannot be solely attributed to the decline in public welfare provision and the subsequent increase in the social assistance activities of faith-based organisations; an equally important role was played by geopolitical factors such as the Iraq wars, the war on terror and the Palestinian-Israeli conflict, as well as disillusionment with Panarabism, socialism, capitalism and the persistence of repressive and corrupt regimes allied with Western powers.

I believe that the link between economic austerity and increased support for political Islam deserves to be further explored, especially with regard to the growing concern with personal piety and the type of solidarity it engenders: more and more people, out of a yearning for community, turn to alternative kinds of solidarity, especially on religious lines, as a revolt against the materialism and the pursuit of profits associated with Western culture, against foreign domination (real and perceived), and against the strong individualism advocated by the neoliberal ideology. Indeed, a distorted relation between the ego and the rest of the world is at the heart of modern anthropology: the individual is a rational, self-referential subject, whose freedom consists in the pure right to self determination, a subject to which the world is qualitatively subordinated.[150] The capitalist accumulation of profit represents, for this subject, the unconditioned possibility to possess and affirm itself. Therefore, it should come as no surprise that Islam, with its emphasis on responsibility, community and social justice, has been placed at the centre of a new, alternative narrative, offering an interpretation, a perspective to the victims of the self-sufficiency that characterises the modern anthropology and the consequences it has for the social, political and economic life of a community. Since the importance of such considerations is often neglected, the following chapter attempts to go deeper into these dynamics and the elusive (but nevertheless relevant) issue of perceptions.

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[148] J. Harrigan, H. El-Said, *Economic Liberalisation, Social Capital and Islamic Welfare Provision*, op. cit., p. 13.
[149] A. Richards, J. Waterbury, *A Political Economy of the Middle East*, op. cit., p. 348.
[150] To be sure, this is no neoliberal invention. Such understanding of the individual and his freedom originated in the old quest for references in the construction of identity, which culminated in the XVII century with Descartes and his "cogito ergo sum". Although this might sound completely irrelevant, it is not. According to Descartes, human freedom is initially expressed in the form of doubt; the only thing the ego cannot doubt of, is its own ability to doubt and think, which leads him to say "cogito ergo sum". The ego distances itself from everything else to reach this conclusion: it only attests itself, it is sufficient to itself. This is why the ego conceives the world and individuals other than himself as qualitatively subordinated. These considerations are dealt with in more depth in P. Lia, *Finalmente come Dio? Considerazioni inattuali sullo statuto morale della soggettività*, Vita e Pensiero, Milano 2012, pp. 32-35.

PART III

THE MALAISE PERSISTS. A COMPLEMENTARY EXPLANATORY FRAMEWORK

Introduction

After considering the way the Arab social contract built in the post-independence period was dismantled and the effects economic austerity had in terms of poverty, inequality, welfare trends and increased activism of faith-based organisations, it is now necessary to introduce a more sociological analysis of the people's perceptions and the crucial role they played as both a cause and a consequence of increased Islamist (re)emergence and mobilisation in the last decades. Indeed, no economic variable, including unemployment, can explain greater recruitment, especially for violent purposes; conversely, more general feelings of marginalisation can drive some individuals to extremist groups. Hence, the aim of this chapter is to offer a complementary and not exclusive key to the interpretation of the recent rise, in the Arab-Islamic world, of a cultural version of nationalism that has taken several shapes, from Islamism to more radical forms of extremism and religious fundamentalism. As we have seen when considering the Egyptian case, the implementation of neoliberal policies has largely failed to improve inequality and disaffection with socialism and Third World nationalism; in this context, marginalised social strata have started to feel nostalgia for a past (and lost) "golden age", to blame external forces and interventions ("the West") for the current situation, and to rely on conspiracy theories and new forms of solidarity on cultural or religious lines. It will be argued that, to overcome the current political and intellectual stagnation, Arabs need to embrace their own history, come to terms with globalization and modernity, and reject both Western double standards and Islamism.

In the contrasts of the present, of a reality perceived as unjust and shaped by external interventions, more and more people in the Arab region have turned to Islam – and more and more often to the idea of *salafiyya*[1] - as the last and most sublime resource in the hope to bring back the "golden age" of the Arab-Islamic world. The restatement of religious tradition in a more or less literal way and its imposition, at times, by means of violence, represent a dream of grandeur, a longing for redemption and accomplishment. It is not through the lenses of hope, however, that many in the region look at the future: the will to be responsible of one's own destiny, in fact, is often overwhelmed by an uncontrollable sense of humiliation which, in turn, inspires the rejection of an extremely frustrating present and the denial of any alternative possibility to this malaise.

From a traditional standpoint, emotions and geopolitics would naturally appear incompatible. Recently, however, several voices have called for a more variegate and flexible approach to gain a deeper understanding of a more and more multifaceted, interconnected and complex reality. In his *The Geopolitics of Emotion. How Cultures of Fear, Humiliation and Hope are Reshaping the World*, French political scientist Dominique Moïsi wrote that "today most students of history recognize that while geography does matter, it is not the single determining factor some once claimed."[2] While not neglecting the most traditional features of geopolitics, Moïsi offers an approach to enrich it by means of an insightful

[1] According to salafists, restoring "original" Islam in its authenticity means going back to the way it was understood and experienced by the "pious ancestors" (*al-salaf al-salih*) in VII century Arabia. See B. Rougier (ed.), *Qu'est-ce que le salafisme?*, Presses Universitaires de France, PUF 2008, p. 3.
[2] D. Moïsi, *The Geopolitics of Emotion,* op. cit., p. 16.

and almost provocative comparison with emotions. Particularly noteworthy in this sense are hope, fear and humiliation, the ways in which they can combine, their origin and their possible consequences on collective and individual choices and behaviours. The influence of emotions on peoples, cultures and nations, and particularly their importance in the Arab region, had already being discussed by Lebanese journalist and historian Samir Kassir in his *Considérations sur le Malheur Arabe*, inspired by a truly thought-provoking question: how did the current intellectual, ideological and material slump take shape? Why do Arabs believe they have no future but the one to which they were condemned by conspiracies, Western power politics and morbid millennialism?[3]

A similar analysis is clearly open to criticism and thus needs to be carefully structured: not only because the situation of the Arab region is extremely complex, but also because we refer to the ephemeral realm of emotions, which can also be exploited, manipulated, and have very deep roots. The first part of this conclusive chapter presents the theory elaborated by Moïsi and the considerations made by Kassir; I have decided to present them together and compare them because, in spite of the obvious differences due to the authors' backgrounds, their arguments have several common features: reading between the lines, in the malaise described by Kassir one can identify the sense of humiliation later analysed by Moïsi – whose book, besides, contains references to the work of the Lebanese intellectual. Both authors, moreover, underline the importance of history, as it sheds light on the trends and events that led to the current circumstances. The sense of historical decline at the roots of humiliation for the Arab-Islamic world was in fact exacerbated by a number of frustrating events: from the submission to Western imperialism in the nineteenth and twentieth centuries to the illusion of independence, from the creation of the State of Israel to the inadequacy of the ruling leaders. However, the re-examination of history that Arabs need also requires them to know and understand events without interpreting them through the lenses of religious predestination and nationalist teleology. This re-examination will be attempted by analysing historical trends and dynamics of revolt, both secular and religious, but with a particular focus on the latter, that were influenced by events and perceptions of those same events. Hence, part of the chapter also focuses on the shapes taken by the resurgence of cultural nationalism in a variety of forms, its premises, its developments and possible outcomes – from political engagement to violence. The aim is to show that, although religion undoubtedly plays a crucial role,[4] the ambition of those who make use of it in the region is ultimately political and represents the most recent reaction to defeat, impotence and humiliation, the extreme attempt to achieve redemption after the failure of nationalist ideologies, the last resort to a certain interpretation of divine law to reaffirm Arab pride and power in the international arena. It is not up to this work to determine whether this last resort is destined, by virtue of its own characteristics, to succeed or not; the aim is to prove the importance of perceptions and emotions, coupled with political as well as socio-economic considerations, and the role they play in the Arab world.

[3] S. Kassir, *Considérations sur le malheur arabe*, op. cit., pp. 10-11.
[4] "Molti dicono che le guerre hanno sempre ragioni economiche, travestite da motivazioni religiose o ideologiche. Non è vero. Le motivazioni religiose sono una forza primaria, tanto quanto i fattori economici o strategici.", in M. Conte, M. Diez, M. Brignone, 'Lo Stato Islamico spiegato a mio figlio', *Oasis*, 26/08/2014.

CHAPTER 5

ON HUMILIATION, WOE AND UPRISING: THE ROLE OF EMOTIONS IN THE CONTEMPORARY ARAB WORLD

I – "DIAGNOSING" THE CONDITION OF THE ARAB REGION

Both Moïsi's theory of the Geopolitics of emotion and Kassir's considerations on the Arab malaise have the merit of overcoming cultural essentialism and exceptionalism, that is, the idea that Islamic societies share cultural elements that mechanically – and almost biologically - determine their history; on the contrary, it is important to embrace the complexity of the Arab Middle East without mixing up cultural *specificity* and cultural *essentialism* (cf. Chapter 1). The Geopolitics of emotion, however, has a much broader – global – scope compared to Kassir's analysis, which is limited to the Arab world; as expressed in the title of his work, in fact, Moïsi's intention is to explain "how cultures of fear, humiliation, and hope are reshaping the world". As a geopolitical theory, its aim is to formulate predictions, whereas considerations on the Arab malaise have to be analysed keeping in mind the influence exerted on their author by his origins and direct experience, for Kassir's standpoint was necessarily internal to that Arab world whose emotions he tried to convey. Hence, in spite of the undeniable differences, the theses of the two authors contain references to one another since they share the same "language", that of emotions, and essentially reach the same conclusion. Brief presentations of the theories are provided in the following paragraphs.

The Geopolitics of Emotion

In his book, Moïsi chose to focus on fear, hope and humiliation because of their link with the notion of *confidence*, a factor that exerts great influence on the way nations and individuals relate to the world and react to its challenges. As he defines them,

> Fear is the absence of confidence. If your life is dominated by fear, you are apprehensive about the present and expect the future to become even more dangerous. Hope, by contrast, is an expression of confidence; it is based on the conviction that today is better than yesterday and that tomorrow will be better than today. And humiliation is the injured confidence of those who have lost hope in the future; your lack of hope is the fault of others, who have treated you badly in the past. When the contrast between your idealized and glorious pas and your frustrating preset is too great, humiliation prevails.[5]

The degree of confidence enjoyed by a specific society can be identified by considering factors including interstate relations, such as the ability to reach agreements and the type of agreements, levels of

[5] D. Moïsi, *The Geopolitics of Emotion,* op. cit., p. 5.

investment, and even artistic and cultural production. Not only do the three basic emotions identified by Moïsi express the level of confidence societies and individuals have in themselves, but they also influence interpretative cultures and collective behaviours. Fear, hope and humiliation can combine in various ways, and they are all equally important for the balance of individuals and even broader entities such as peoples and nations. A certain amount of humiliation, for instance, can be an incentive to improve oneself and one's own condition, just as small doses of fear are necessary for survival; yet, without a minimum amount of hope and favourable circumstances to compensate, excessive doses of these emotions represent a lethal mix that creates, at best, tension and instability. Indeed, if humiliation prevails and it is not tempered by a minimum amount of hope it will most probably result in despair and desire for revenge, which easily leads to violence. The desire for revenge dominates when people perceive that recurring to violence is the only way to assert their own claims, even if it implies giving up the long-sought redemption.

According to Moïsi, emotions are so important in today's globalizing world because globalization engenders insecurity, especially for what concerns the notion of identity (cf. Chapter 2 of the present work). Nonetheless, one should be careful to not fall prey of oversimplifying theories such as the "clash of civilisations" formulated by Samuel Huntington. While presenting his theory, Moïsi criticises this vision and argues that our age is characterised not so much by a "clash of civilisations" but rather by a "clash of emotions", as expressed by the titled of his book's introduction. Moïsi's criticism especially concerns the premises on which Huntington based his theory: searching for a new enemy on which to focus US foreign policy following the collapse of the Soviet Union, Huntington selected the notion of culture as the discriminating factor between civilisations; by so doing, however, he confused the concept of culture in general (which includes social and religious beliefs and behaviours) with that of political culture. Indeed, there seems to be no alliance between Asia and Islam against the West; moreover, many in the Asian world believe in the universal validity and applicability of Western values, ideas and practices such as democracy, raising doubts over the ability of Huntington's theory to describe the world and formulate predictions.[6] The "clash of civilisations" has also met with criticism from many other quarters. American anthropologist Arjun Appadurai, for example, affirmed of preferring the notion "of ourselves as being in a worldwide civilization of clashes rather than in a clash of civilizations."[7] Further criticism had been expressed by Fred Halliday who, talking about Islamic countries, underlined that their relations with the West have always been subjected to considerations of national interest; that in spite of talks on "civilisational faultlines", several conflicts broke out between middle eastern and Islamic countries themselves; and, finally, that "Islam" (as a monolithic civilisation, in Huntington's theory) has never been able to threaten Western security, neither militarily nor economically.[8]

[6] *Ibid.*, pp. 18-20.
[7] A. Appadurai, *Fear of Small Numbers. An Essay on the Geography of Anger*, Duke University Press, Durham and London 2006, p. 18.
[8] F. Halliday, *The Middle East in International* Relations, op. cit., pp. 156-157.

Coming back to Moïsi's theory, he highlights that not only do peoples and nations need a favourable balance in their "state of mind", but also a political and economic context that guarantees a reasonable degree of stability as well as a national leadership able to take full advantage of these conditions and ensure their stability over time. If these conditions exist, it is possible to promote the development of society and cultivate a sense of confidence and hope for the future.[9] From time to time, moreover, every region of the world is characterised by the prevalence of one of these primary emotions; however, Moïsi specifies that they are always temporary, and there is nothing to prevent the picture from changing drastically: "Like the seasons, emotions are cyclical. These cycles can be long or short, depending on the culture, on world events, on economic and political developments. [...] Most important, emotions can be changed."[10]

The first emotion analysed by Moïsi is hope. It is the expression of the confidence with which one can look ahead to the future with optimism, the ability to positively interact with the rest of the world, and confidence in one's own identity.[11] The twenty-first has been defined as the "Asian century": China, for instance, associates sustained economic growth to the fact that social tensions seem to be under control. In addition, the country feels able to take advantage of present circumstances to gain its rightful place in the international hierarchy, in line with its renewed sense of pride and confidence. Such belief is becoming increasingly rooted, especially as Chinese soft power has gained from the Bush administration's policies and the growing scepticism, not only among Asian countries, regarding democracy and human rights, values that the US preaches but that barely ever constitute objectives of American foreign policy. The extent of China's feeling of hope is such that it started challenging US hegemony in the Pacific ocean and developing new and ambitious systems of economic integration, both regional and global: the new Silk Road is, today, the highest expression of China's ability to look ahead to the future.[12] Although to a lesser extent, finally, India and ASEAN member countries have equally joined the "front of hope" and come on to the international scene with renewed confidence. The only exception is Japan, geographically belonging to the "region of hope" but much more aligned with the West and its "culture of fear" from the diplomatic and emotional point of view.[13]

Fear consists, according to Moïsi, in the absence of confidence, and corresponds to perceptions of vulnerability, decreasing importance and loss of control over one's actions.[14] Moreover, fear appears to be the prevailing emotion in Western countries that, at the turn of the millennium, have found themselves forced to face declining importance and increased security concerns.[15] It is no longer enough, in fact, to

[9] D. Moïsi, *The Geopolitics of Emotion*, op. cit, p. 57.
[10] *Ibid.*, p. 29.
[11] *Ibid.*, pp. 30 ff.
[12] The Chinese initiative and the involvement of other actors are described in J. McBride, 'Building the New Silk Road', *Council on Foreign Relations*, 25/05/2015.
[13] There are a variety of factors behind this trend, including Japan's declining international importance compared to China and India, that have become the US main interlocutors in Asia, in addition to socio-economic factors such as high suicide rates, an ageing population and political stagnation (D. Moïsi, *The Geopolitics of Emotion*, op. cit, pp. 49-53).
[14] *Ibid.*, p. 90-91.
[15] It is important to note that the term "West" is no longer a purely geographical expression, as it includes all those countries that, albeit with their peculiarities, share cultural, social and political features that make them closer from the point of view of strategic

rely on the normative values that the West considers at the basis of its own identity and legitimacy; similarly, Western powers can no longer rely on their declining economic supremacy, particularly when facing global challenges (including the economic rise of a number of Asian countries, the threat of religious fundamentalism, and the fear of environmental disasters, epidemics and increasing migration flows) that appear more and more difficult to manage with the instruments that are currently available.[16]

To be sure, Americans and Europeans express their fear in very different ways. For the US, it is mainly about losing its "ethical superiority", its "national mission", its "place in the world", especially when considering its decline as compared with the rise of China.[17] Moreover, China promotes collectivism as opposed to the individualism that characterises the "American dream"; hence, the threat perceived by the US is both economic and cultural. Nonetheless, the US has more reasons for optimism compared to Europe, particularly with reference to better capacities to manage migrations, although ethnic and cultural differences remain a major element of concern on both sides of the Atlantic.[18] Indeed, not only is Europe faced with economic insecurity, but it also has to come to terms with the real meaning of the "European identity" in its relation with "the Other" and question both possible and consolidated socio-political models of coexistence, especially following the increasing migration flows of the last few decades. Talking about European Islam, for instance, Samir Khalil argued that European governments and societies have to make efforts to reaffirm the principles that define their identity and that have made Europe a beacon of civilisation and land of freedom,[19] while accepting aspects of Islam that are not in contrast with their legal systems. Conversely, when integration fails the consequences are dire: following the attacks of July 2005, for example, many knew that the trauma was linked to the awareness that the perpetrators were British citizens of second or even third generation, born and raised in Great Britain. Uncertainties concerning the meaning of European identity also imply significant difficulties in the management of relations with EU neighbours such as Ukraine and Turkey.[20]

Humiliation, finally, is the feeling that prevails when making a comparison between a glorious (and often idealised) past and a frustrating present in which people feel powerless, deprived of the possibility to change their own condition. Such perceptions are due to the belief that external forces willingly act to deprive their "victims" of control over their present and future, imposing particular political, economic, social and cultural conditions.[21] In addition, humiliation can easily lead to violence if those who experience it perceive their own redemption as unattainable. Moïsi applies the notion of

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interests and national policies. These common traits have such an impact that even countries like Israel and Japan can be considered, in certain respects, Western powers similar to the "traditional" core of Western Europe and North America.

[16] S. Procacci, 'Problematizzare la sicurezza in Europa: minacce, identità, istituzioni', in S. Giusti, A. Locatelli (eds.), *L'Europa sicura*, Egea, Milano 2008, p. 91.

[17] D. Moïsi, *The Geopolitics of Emotion*, op. cit, p. 109.

[18] "Rather belatedly, geographers have begun to realize that 'ethnicity' is a much more slippery concept than they had earlier assumed", in P. Jackson (ed.), *Race and Racism. Essays in social geography*, Taylor & Francis e-Library, 2005, p. 4.

[19] S. Khalil Samir, *Cento domande sull'Islam,* C. Eid, G. Paolucci (eds.), Marietti, Genova 2002, p. 131.

[20] Opposition to Turkey's accession to the EU was not so much due to economic or political considerations, but rather by fear of being "invaded" by millions of Turkish Muslims (wrongly perceived as Arabs). This fear is based on the "non European" nature of Turkey, while in the EU there are no longer hesitations to defend the Christian roots of Europe, in spite of the crisis of Western identity and calls for secularism.

[21] D. Moïsi, *The Geopolitics of Emotion*, op. cit, p. 60.

humiliation to the Arab world in particular (and, for a sort of contagion, to the Islamic world in general[22]), with the exception of the Gulf monarchies, that appear immune to humiliation in spite of their fragile wealth and progress.[23] Indeed, the Arab world presents various shades of emotions: the apparently insuperable feeling of humiliation, as in the case of Egypt (where too little was realised too late, resulting in the loss of the confidence that the country had derived from its rich pre-Islamic heritage), coexists with the "glimmers of hope" of the Gulf monarchies, richer ad relatively more stable compared to their poor and turbulent neighbours. On the one hand, the Gulf's prosperity proves that Islam and modernity are not incompatible; in the words of New York Times columnist Michael Slackman, "Dubai is, in some ways, a vision of what the rest of the Arab world could become – if it offered comparable economic opportunity, insistence on following the law and tolerance for cultural diversity. In this environment, religion is not something young men turn to because it fills a void."[24] On the other hand, these oligarchies will not constitute a model for the rest of the Arab world as long as their progress will be perceived as disconnected, rudderless and deprived of spiritual contents.[25]

Because of the lack of alternatives and perceptions of decline, mainly due to historical reasons, many Arabs have started to believe that "the tide of history is not going their way",[26] as if they only belonged "[...] to a moment in the development of human spirit, as if having fulfilled their mission of preserving Greek thought, they had handed on the torch of civilization to others."[27] In anticipation of what will be further discussed below, it was especially the 1967 defeat that, perceived as a sort of "moral judgement", marked the moment in which Egypt and other Arab countries lost confidence in themselves. Here lies the shift from humiliation to *malheur*, a shift that, it is important to point out, was all but necessary. Humiliation and *malheur*, in fact, are not the same thing, and one does not necessarily imply the other. They stem from the same development, but they do not necessarily coincide nor provoke the same reactions. Hence, the problem raised by the 1967 defeat was more cultural and moral rather than economic or political; it was as if all the humiliations suffered until that moment (especially the submission to Western imperialism, the illusion of independence, the creation of Israel and the ineptitude of the ruling elites) had merged with a sense of weakness, inadequacy and failure. This sense of inevitability and impotence (and, to a certain extent, of victimism) feeds into and is at the same time fuelled by humiliation, and it is also part of the wider concept of Arab malaise described by Kassir.

The Arab malaise

"It is no pleasure to be an Arab today."[28] These are the opening words of the "manifesto of Arab dissent", as *Considérations sur le malheur arabe* has been defined. The term *malheur* used by Kassir primarily

[22] "For what is Islam without the Arabs, Arab language, Arab culture, and Arab civilization?" (*Ibid*., p. 82).
[23] *Ibid.*, pp. 86-87.
[24] M. Slackman, 'Young and Arab in Land of Mosques and Bars', *New York Times*, 22/09/2008.
[25] D. Moïsi, *The Geopolitics of Emotion*, op. cit, pp. 87-88.
[26] *Ibid.*, p. 60.
[27] A. Hourani, *A History of the Arab Peoples*, Faber and Faber, London 1991, p. 249.
[28] "Il ne fait pas bon être arabe de nos jours", S. Kassir, *Considérations sur le Malheur Arabe*, op. cit., p. 9.

identifies a sense of persecution or even self-hatred, the malaise that permeates all spheres of social, political and economic life and that is shared by all social strata. In addition, the Arab malaise is linked to perceptions that "the future is obstructed"[29]: more than once, over the course of history, Arabs have felt deprived of the possibility to take their destiny in their own hands. It is therefore necessary to consider that the feeling of humiliation has emerged as a consequence of a long-term historical process, and that re-examining history without being influenced by religious predestination and nationalist teleology is crucial to put humiliation and *malheur* into perspective and break the deadlock.[30] Although pervasive and all-consuming, in fact, the Arab malaise is only a moment in history, and it is reversible, just like the emotions described by Moïsi.

Such re-examination, however, is conditioned by the rejection of exceptionalism and essentialist theories, as already discussed. For the main Arab states, the feeling of domination has been sustained by an external hegemony, no matter whether direct or indirect, and it has fed into the culture of humiliation analysed by Moïsi. To be sure, this can also be considered as a trend shared by all Third World countries, where the effect of nationalism and independence was the shift from the colonial state to authoritarian systems that built their legitimacy on the urgency of security and development, and that later introduced a certain degree of political openness for opposition groups. Anyways, most events have to be explained considering the global forces that were shaping the non-European world, including colonialism, the two World Wars, state-building and development policies, and the general trend to liberalisation started between the 1970s and the 1980s that we have discussed in the previous chapters.

Nonetheless, it is of the utmost importance to remember that the Islamic world did not take long to react following the rise of the colonial and industrial West in the XIX century: as discussed in Chapter 1, even though it started as an imitation of the European model, the administrative, technical and cultural modernisation successfully spread in the Southern and Eastern coasts of the Mediterranean. Hence, neither disadvantage nor decline were inevitable. The aim of the re-examination of history called for by Kassir is precisely to show that the Arab region is all but static and that its historical development was all but necessary; in this context, *perceptions* of that development become fundamental. Considering perceptions and the role they play in shaping the idea people have of themselves and of their roles allows for a more relative perspective on the very concepts of decadence and decline, while not ignoring the undisputable advantage enjoyed by European countries compared to the difficulties faced by the Middle East. Furthermore, according to Kassir the importance of perceptions also emerges from the fact that Arab historiography (modelled on the European historiography of the XIX century) considers history as preceding with a ternary rhythm, as a succession of a "golden age", a period of decadence (*'asr al-Inhitat*) and one of renaissance (*Nahda*).[31] This model is already questionable by itself;[32] what is worse is that,

[29] "L'avenir est obstrué", *ibid.*, p. 13.
[30] *Ibid.*, pp. 44, 51.
[31] *Ibid.*, p. 43.
[32] According to the vision prevailing today, the history of the Arab peninsula starts with an age of ignorance (*jahiliyya*), corresponding to the pre-Islamic period, followed by the fracture caused by the advent of Islam. Not only is this a historically unfounded perspective, but also a theologically dangerous view, because it supports the idea of a pure faith that established itself

because of this perspective, the Arab "Renaissance" has been cast aside and forgotten since it is believed to have failed.[33] Despite the momentum given in the exploration of various fields, in fact, the evaluation of the *Nahda* was equated with that of nationalism: in other words, since the awakening of the Arab nation did not occur, the *Nahda*, not having had the hoped-for political success, had failed, together with everything it contributed to explore: progress, the individual, the reform of Islam. A re-examination of history would be necessary precisely as a means to re-evaluate the *Nahda* for what is was, instead of what it should have been.

The belief that it was the path towards modernity (encouraged by the comparison and competition with an economically and technologically more advanced Europe) that hindered well-being and development has led in many cases to the rejection of modernity itself, associated with Western imperialism. Kassir noted that the technological progress, the modernisation brought about by Muhammad 'Ali, the Ottoman reforms and the *Nahda* itself are much less present in the cultural horizon of most people in the region compared to ancient pages of Arab history, whose glory and mightiness are more extensively celebrated.[34] It appears that resentment and rejection were engendered not so much by contacts and relations with European powers, but rather by the negative perceptions deriving from the consequences of colonialism and external intrusions in the Middle East. On the contrary, as argued by Kassir, by re-examining history it will be clear that the Arab malaise was not caused by modernity but by its failure.[35] Proof of this is the fact that, in spite of the frustration caused by the creation of the State of Israel and by the ensuing Arab defeats, especially that of 1967, the cultural effervescence inspired by the *Nahda* was not interrupted; on the contrary, it could be argued that the 1967 defeat accelerated the adoption and the adaptation of the oppositional thought that had spread all over the world in those years. Such cultural vitality has been present in the Arab world at least until the 1982 Israeli siege of Beirut, considered by many as officially marking the end of the *Nahda*.

Kassir's conclusion is that the Arab malaise is especially rooted in denial as well as in the refusal to overcome it; hence, although the *malheur* originates from a strong desire for redemption and control over one's own destiny, the only effect of such denial is to make that redemption even harder to achieve. Indeed, not only do the sense of impotence and the lack of confidence (individual as well as in one's role in the international arena) fuel discouragement, but also desire for redemption; this is perfectly legitimate as well as desirable. However, the risk is that, in the pursuit of redemption, considerations dictated by the

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in an "a-cultural" context. It is no coincidence that the idea of *jahiliyya* was used by influent Jihadist ideologues during the XX century, especially Sayyid Qutb, to refer to contemporary Islamic societies and legitimise armed action against governments (M. Diez, 'Una svolta per l'Islam dal recupero del senso della storia', *Oasis*, 12/03/15.

[33] The Arab Renaissance or *Nahda* has characterised the nineteenth century and part of the twentieth. Triggered by the awareness of the fact that Muslim societies were lagging behind, it significantly contributed, among other things, to the issue of the reform of Islam. Since it was also inextricably linked to European ideas of nationalism and patriotism, the *Nahda* also emerged as a dream of emancipation for the Arab component of the Ottoman empire, which was a multiethnic body including not only wide areas of the Middle East but also parts of Eastern Europe, and specifically the Balkans. Hence, the *Nahda* was not a uniquely religious phenomenon, nor was it exclusively linked to Islam: various currents of European thought flowed into the Arab renaissance, including positivism, the idea of nation-state, new technologies, and socialism. See R. Redaelli, *Il fondamentalismo islamico*, op. cit., pp. 17, 24.

[34] S. Kassir, *Considérations sur le Malheur Arabe*, op. cit., p. 51.

[35] *Ibid.*, pp. 62 ff.

culture of humiliation prevail, influenced by the affliction for a greatness purportedly prevented by external interventions. The sense of impotence felt by the Arabs is even more painful when combined with the awareness of a glorious past, that today appears more and more unattainable. All the attempts that have been made to overcome the impasse, particularly nationalism, are believed to have worsened the situation; the resulting frustration, passivity and victimisation are the factors that prevent redemption and perpetuate the malaise, and this is what jihadist militants[36] benefit from. On the one hand, pressures exerted by non-democratic powers (often supported by Western countries and unwilling to enhance pluralism or change government structures) have worsened the conditions of their populations; on the other hand, both traditional (secular) nationalism and pan-Islamic nationalism, by sharing a tendency to victimisation and insisting on territorial security and defence, have further exacerbated the situation.[37] Overcoming the crisis, on the contrary, could be made possible by means of the integration of Arab culture worldwide; in this sense, the emergence and strengthening of what Moïsi defined as "European Islam" is particularly significant:

> Just consider, for example, the growing role [...] of French directors of Algerian and Moroccan origins in the new European cinema. [...] If such a cultural renaissance does take place, European Islam could constitute a role model and a source of hope for Muslims all over the world. Extremists will always exist, but their grip on Islam today is due to the power of the culture of humiliation. Break that power by demonstrating the availability of an alternative, and a flood tide of hope may yet break over the Islamic world.[38]

In conclusion, although the *malheur* cannot be defeated in the short term, foreign domination and the structural political and economic shortcomings do not prevent Arabs from finding their own balance in the present; the only condition to do so is giving up their role as victims and the ghost of an unequalled past, to come to terms with their own history. And this, regardless of any consideration on evil external domination, depends on the will of the Arabs themselves.

Perceptions, ideas and beliefs

Before re-examining the meaning of modernity and globalization for the Arab malaise, it necessary to add one last premise on the importance of perceptions and ideologies. A number of influential studies on the politics and international relations of the Arab world have focused on the role of culture and ideology in the region. We have already discussed the fundamental difference between cultural essentialism, that can easily lead to determinism,[39] and a more sociological attention to the relation existing between culture,

[36] "Ceux pour qui tout va bien quand tout va mal", *ibid*., p. 89.
[37] T. Hegghammer, 'Violence politique en Arabie Saoudite', in B. Rougier (ed.), *Qu'est-ce que le salafisme?*, op. cit., p. 109.
[38] D. Moïsi, *The Geopolitics of Emotion*, op. cit., p. 89.
[39] A number of authors reject determinism on grounds that cultural values, intended as abstractions relative to collective behaviours, do not effectively explain the reasons of a certain behaviour; on the contrary, cultural and social values are not eternal but have to be continuously recreated, and this occurs on the basis on the interests and privileges that are at stake in the

State, people and international relations. Essentialist theories are, indeed, widespread in Western countries, where especially Islam, Arab identity and ancient rivalries between peoples are invoked as explanatory factors of historical developments;[40] to be sure, similar arguments are used in the Middle East, where the "West", understood as an unitary category, is considered as endemically hostile to the peoples and countries of the region. This is why al-Qaeda, for instance, vaguely links the beginning of its jihad to the First World War and Western initiatives such as the 1917 Balfour Declaration and the abolition of the Caliphate in 1924.

Being aware of the importance of such considerations, Halliday developed his argument on modern political and religious ideologies starting from an apparently simple observation: the importance of perceptions and beliefs, and particularly the fact that even the interpretation of politics and international relations is influenced by what people think and believe.[41] This implies, first of all, that states and other political actors cannot leave these interpretations to chance: both rulers and oppositional movements try to use ideologies and values to strengthen their own positions and discredit their opponents. Language manipulation is a classical case of a strategy used to convey specific values and interpretations of the world, particularly through education, and they include references to the notion of righteous people (*sha'b* in Arabic), fatherland (*watan* in Arabic, *vatan* in Turkish, *eretz Israil* in Hebrew), and even terms such as the Arabic *kuffar* (infidels), typical of the fundamentalist and jihadist rhetoric, obviously referred to non-Muslims but also to Muslim "impious" rulers.[42] Moreover, modern political discourses in the Middle East are especially characterised by the use of terms such as "agents" and "conspiracies" with the aim to delegitimize political opponents. Any term is thus loaded with "emotional" significance, harnessed for specific political interests but, at the same time, shaped by feelings of humiliation and desire for redemption and, in some cases, revenge.

The most important varieties of political ideologies emerged with this aim in the modern and contemporary Middle East are (secular) nationalism and religious fundamentalism, which have already been analysed in Chapter 1, declined as Arabism and Islamism, and that will be further discussed in the second part of this chapter as the main discourses that voiced the people's frustration before and after independence. To be sure, nationalism and fundamentalism, which take rather explicit forms and are used to influence both domestic and foreign politics, are not the only relevant ideologies to take into account: one should not underestimate, in fact, the importance of everyday (and therefore more unquestioned) political culture, defined by Halliday as "informal ideologies".[43] One of the most recurring dimensions of informal ideologies is the resort to the past as an explanatory factor of conflict. Explanations based on

process of construction and transmission of culture from one generation to the next. See for example B. Moore, *Social Origins of Dictatorship and Democracy. Lord and Peasant in the Making of the Modern World*, Beacon Press, Boston 1966.

[40] It is the opinion expressed in L. C. Brown, *Middle East Politics. The Rules of the Game*, I.B. Tauris, London 1985; a similar argument is advanced by Huntington in his already mentioned *The Clash of Civilizations*.

[41] F. Halliday, *The Middle East in International Relations*, op. cit., pp. 193 ff.

[42] Radical and jihadist movements use the term *ṭāghūt* to describe the impious tyrant. In the Quran, the Arabic root "tghy" has a connotation of crossing boundaries, rioting, tyrannising: "[…] chiunque oltrepassi i limiti di ciò che gli è permesso, come il mago, l'"indovino, il *jinn* ribelle o chi si allontana dal cammino della verità è chiamato *ṭāghūt*", as explained in the article titled *Jibt e ṭāghūt* in M. A. Amir-Moezzi, I. Zilio-Grandi (eds.), *Dizionario del Corano*, op. cit., pp. 428-429.

[43] F. Halliday, *The Middle East in International Relations*, op. cit., pp. 220-228.

"historical facts" are extremely seductive, because they seem to provide informed and educated support to interpretations of contemporary processes; history, however, is often manipulated and used to legitimise territorial claims or support political interests by proving that certain conflicts have always existed and will continue to characterise relations between, for instance, Jews and Arabs, Muslims and crusaders, Arabs and Persians, and so on.[44]

Informal ideologies are also characterised by the belief in an external, "Western" hostility toward the peoples of the Middle East, that manifests itself through a series of conspiracies (*mu'amarat*). As noted by Halliday, conspiracy theories, albeit false, are not always irrational. Throughout the last century, several cases have provided examples of the reasons why people in the region have developed the views they currently hold: the Sykes-Picot Accords in 1916, on the basis of which the Arab world was partitioned after World War I; the overthrow of Iranian Prime Minister Mossadegh in 1953; the tripartite attack on Egypt in 1956;[45] and the US connivance with Iraq's opposition to a ceasefire and return to pre-existing borders after its attack on Iran in 1980, just to mention a few. Hence, it is clear that peoples and nations do not feel humiliated nor become paranoid without a reason; nonetheless, as long as there are actors who can make political profit out of these feelings, conspiracy theories will not be discarded in favour of rational and objective explanations of events and developments. In this sense, a re-examination of history without attempts at "historically" legitimising positions hiding other interests can help discern real and imagined conspiracies, and appreciate the past for its true value.

Closely linked to these considerations on external hostility are beliefs that conspiracies are the causes and determinants of foreign policy. In this sense, the establishment of a Jewish community in Palestine and the creation of the State of Israel in 1948 are seen as Western strategies to divide and dominate the Arab world. The problem with conspiracy theories is that they are irrefutable, and any attempt at providing alternative explanations is seen as simply showing the naivety of the proponent. Yet, such denial is paralysing and keeps individuals, peoples and nations prisoners of such paranoia.

Another dimension of informal ideologies is that of violence and the cultural and moral values that surround it. The theme of violence has been at the centre of several (often unfounded) generalisations, such as those according to which the Middle East and the cultures residing in the region are endemically violent. A couple of examples will suffice to refute similar claims: Islamist violence after 1979-1980, for instance, was linked to Western instigation; similarly, attributing responsibility for Islamic terrorism solely to Arab societies after 9/11 is an act of "Western amnesia".[46] Nonetheless, following the increasing diffusion of Islamic terrorism, similar generalisations have met with growing success and have been applied to the relation between violence and religion. Yet all religions and their texts, if

[44] "People seem to like saying that the Arab–Israeli conflict, for example, is 'age-old', 'ancestral', 'biblical', 'primordial', has been going on for centuries or millennia. This is, of course, nonsense. It began in the 1920s as a conflict between two communities that were to be formed, over the decades, in conflict with each other", *Ibid.*, p. 221.
[45] *Al-'udwān al-thulāthī*, the "triple aggression", as the military occupation of the Suez canal on the part of France, Great Britain and Israel was defined in the preamble of the Constitution approved in Egypt in 2014.
[46] T. Freedman, *International Herald Tribune*, 20 March 2004, quoted in F. Halliday, *The Middle East in International Relations*, op cit., p. 226.

conveniently interpreted, can justify the resort to war and violence; it is the selection of that particular interpretation, as a conscious *political*, modern and contingent act, that justifies such resort.[47]

Halliday further noted that, like every value system that aspires to domination, formal and informal ideologies in the Middle East widely support a vision of the region as static, unchanging and immutable, supposedly dominated by authoritarianism, conspiracy, and religion, and maintain that such immobilism is inevitable. Such claims, however, are simply finalised to the preservation of power, and still encourage considerations on "Muslim ontologism" and Arab-Islamic exceptionalism, [48] thus perpetuating, indeed, the paralysis of the region and the vicious circle of perennialism, humiliation and *malheur*. In addition, ideologies such as nationalism and religious fundamentalism that present themselves as expressing the return to a legitimising past are actually modern creations that invent, use and abuse the past for contemporary interests and objectives, as argued by Hobsbawm's already mentioned *The Invention of Tradition*. Hence, during the 1950s and 1960s, most Arab states proclaimed their support to the "Arab unity", but each provided its own interpretation, since it was linked to national interests. A classic example is the support (not) provided to the Palestinian cause: Saddam Hussein had announced that Baghdad was the "citadel (*qala'a*) of the Arab revolution", but he did not help the Palestinian when they clashed with king Hussein of Jordan in 1970 and ordered the killing, in the late 1970s, of PLO leaders who were in favour of negotiations with Israel. As for Syria, while claiming of representing the "beating heart of Arabism" (*qalb nabid al-'uruba*), it invaded Lebanon in 1976 to crush the PLO and massacred thousands of Palestinian in Tel el-Zaatar refugee camp.[49] The same trend could be observed when, in the 1980s, Arab countries claimed of promoting "Islam" by building mosques and religious schools, although their aim was not unifying the *umma* but the recruitment of believers to national interests. Indeed, although declining nationalist ideologies left more space to the Islamist rhetoric, based on the notion of *umma*, what often occurs is a "nationalisation of Islamism" because of the preference for national interests compared to those of the wider *umma*.[50] In the words of Olivier Roy: "Islam as such is never a dominant strategic factor. The religious dimension always contributes to more basic ethnic or national factors, even if it provides afterwards a discourse of legitimisation and mobilisation."[51]

This is why it is important to resize the role of culture in politics and international relations - while still recognising its significance - and take more into account the influence of the interests expressed by classes, ethnic groups, and power structures. While certain more or less implicit values can seem enduring and long-lasting, they are not eternal, like state institutions themselves; on the contrary, they are the product of clearly discernible historical forces. In other words, it is the modern political context that provides ideas with their meaning and strength. Here lies the re-examination of history on

[47] W. Laqueur, *The Age of Terrorism*, Weidenfeld and Nicolson, London 1987.
[48] G. Salamé (ed.), *Democracy without Democrats?*, op. cit., quoted in F. Burgat, *L'Islamisme en face*, La Decouverte, Paris 1996, p. 17.
[49] F. Halliday, *The Middle East in International Relations*, op cit., p. 218.
[50] See O. Roy, *Globalized Islam: the Search for a New Ummah*, Columbia University Press, New York 2004, p. 63. Where the author explains these developments with examples regarding not only the Arab world but also Iran, Turkey and the Balkans.
[51] *Ibid.*, p. 70.

which Kassir insisted so much: understanding the unnecessary character of events and the non-static nature of their effects is of the utmost importance to put humiliation and *malheur* into perspective and finally overcome them.

II – RE-EXAMINING HISTORY: MODERNITY, GLOBALIZATION AND CULTURAL NATIONALISM

The uprising of the humiliated: secular and religious responses

To understand the relation existing between humiliation and *malheur*, we have to re-consider historical events as well as the particular trends emerged to voice the frustration of Arab populations from their anti-colonial struggle to the most recent grievances in the age of globalization. The "uprising of the humiliated" has unfolded and manifested itself in the form of two responses in particular: secular nationalism and "Umma nationalism".[52] In particular, since cultural constructions of Islam have emerged as a reaction against Western cultural, political and economic domination, it becomes clear that modern Muslim identity cannot be considered separately from modern history. It is also important to emphasise that, since the first decades of the twentieth century, Islamism and nationalism have shared more or less the same ideals, and particularly a certain degree of unity to face the challenges of colonialism, Zionism, globalization and overall dependency on the West. Before independence, the emergence and diffusion of secular and religious movements represented a reaction against the sense of decline started, as discussed in Chapter 1, with the weakening of the Ottoman empire,[53] as well as British and French plans for the region during World War I and colonialism. The anti-colonial and anti-Western struggle became intertwined with the main problematic addressed by the reform movement, that is, how to catch up with the military, socio-political, technological, scientific and intellectual achievements of European countries without neglecting Islamic doctrine, ethics, and law. In addition, radical positions based on the resort to the "sacred history" of the Arab-Islamic world started to prevail as more and more literal interpretations of the notion of *salafiyya*, particularly after the partition of Ottoman territories between France and Great Britain. As discussed in the previous paragraph, the past was conveniently selected and interpreted, as it would be in the following decades. Indeed, after independence, Western support to Israel, war, insecurity and the cultural and socio-economic effects of globalization ended up being considered as plots and conspiracies aimed at hindering the progress and development of Arab countries. The rhetoric of the clash of civilisations proved extremely useful to corroborate theories on global conspiracies and hostility towards the Arab-Islamic world, besides giving weight to claims that the creation of an Islamic State was the only way to get rid of foreign influence and control.

[52] S. Zubaida, 'Islam, religion and ideology', *Open Democracy*, 14/02/2007.
[53] To be more precise, these are recent reconstructions: at that time, there was no awareness of similar implications. Moreover, the Ottoman empire was not a homogeneous reality, and the Arab world was only a part of it; hence, the feeling of humiliation that prevails today among the Arabs is not a necessary outcome of the collapse of the Ottoman empire.

As we have just mentioned, both nationalism and Islamism have shared, to a certain extent, the same ideals of unity and independence, but they have also competed over the role of main mouthpiece for the needs of the Arab people, trying to define their "cultural personality" with certain constructions of the past. After independence, however, Islamism lost its political and economic relevance in many Arab countries in favour of Arabism, particularly in Egypt, where Nasser's repression of the Muslim Brotherhood culminated with the first radicalisation of political Islam, expressed by Sayyid Qutb.[54] Nonetheless, Arabism, with its centre in Egypt, failed to complete its project of development and socio-economic independence; still, some authors attributed this failure uniquely to Western conspiracies: as Egyptian journalist Muhammad Husayn Haykal wrote, the US "unleashed" Israel in 1967 to destroy the Nasserite project.[55]

The 1967 war was, undoubtedly, a blow to "Muslim self-confidence"[56]: not only did it mark the end of Nasser's political project, but it also shattered the dream of Arab redemption, engendering for many, in the region, a renewed and deeper feeling of humiliation. Israel was in fact able to destroy the whole Egyptian fleet in one blow; besides embodying Western superiority and arrogance, it presented itself as the spiritual descendent of the Jews enslaved in ancient Egypt. Hence, the 1967 defeat was even more painful as "a handful of former slaves [did] so humiliate the heirs of Ramses II."[57] The Arab world was in disarray, prey of humiliation and insecurity; according to French Syrian academic Burhan Ghalioun, the 1967 debacle marked an open-ended crisis (*azma maftuha*) for the region.[58] Furthermore, it pointed to the failure of secular ideologies, that focused on development and the legitimisation of the newly-independent regimes, and that gave a free hand to religious (especially Islamist) movements to increase their involvement in national politics. National and Pan-Arab unity started to be replaced by regionalism, tribalism and sectarianism. With a severe crisis starting to ravaging the region, Islamism presented itself as the most viable socio-political alternative to nationalism and corrupt modernism, promising new hope for the humiliated and destitute masses.

In the decades that followed the 1967 defeat, the sense of impotence suffered in the region was perpetuated and exacerbated by poor state management, especially in terms of democratic deficit and crisis of the nation-state, that is, restricted popular participation and delegitimation of state institutions.[59] Productive economic development would have been the only way to promote political stability, but it was never really achieved, as discussed in Chapters 3 and 4. The first attempt in this sense was the establishment of state control of the economy by Nasser in Egypt and by the Ba'th party in Iraq and Syria; later, the economic *infitah* (open-door policy) and ensuing privatisation measures did not restore

[54] Cf. Chapter 1, p. 40.
[55] M. H. Haykal, *1967 al-Infijar: Harb al-Thalathin Sana* [1967 the Eruption: the Thirty-Years War], al-Ahram, Cairo 1990, p. 641. To be sure, Haykal's statement was certainly influenced by the fact that he was very close to both Nasser and Sadat, even if the latter had him arrested with other intellectuals months before his assassination in 1981 (I. M. Abu-Rabi', *Contemporary Arab Thought. Studies in Post-1967 Arab Intellectual History*, Pluto Press, London - Sterling, VA 2004, p. 56).
[56] R. Owen, *State, Power and Politics in the Making of the Modern Middle East*, op. cit., p. 156.
[57] D. Moïsi, *The Geopolitics of Emotion*, op. cit., pp. 64-65.
[58] B. Ghalioun, *Ightiyal al-'aql: mihnat al-thaqafa al-'arabiyya bayna al-salafiyya wa-l taba'iyya* [The Closing of the [Arab] Mind: the Challenge of Arab Culture between Salafiyya and Obedience], Maktabat Madbuli, Cairo 1990, p. 9.
[59] S. Kassir, *Considérations sur le Malheur Arabe*, op. cit., p. 36.

independent capitalist classes, but rather created new classes of businessmen that forged a parasitic relationship with the state and its resources, exacerbating the problem of development. In addition, this system had excluded from the advantages of redistribution broad sections of the population, especially the youngest and most educated, whose aspirations to wealth and career prospects were thus frustrated. It is noteworthy that the young and educated are also the most susceptible to contemporary challenges and ideologies: affiliation to extremist groups, in fact, is not exclusively linked to poverty and high unemployment rates but also to the search for meaning and order, especially for the educated middle class, as a reaction against chaos, injustice, corruption, and a certain measure of victimism that attributes responsibility of the situation entirely to the West.[60]

The *infitah* was considered in the whole region as lacking all values and ethics except for the competition and consumerism characteristic of the capitalist mode of production. People perceived that a new polarisation had emerged between more or less educated but poor countries (including Egypt, Syria, Lebanon and Jordan) and the less educated but more modern and richer countries of the Gulf, a polarisation created to accommodate the needs of the international capitalist market.[61] For what concerns Egypt, according to Galal Amin the *infitah* implied "the opening of virtually all doors to the importation of foreign goods and capital, the removal of restrictions on Egyptian local investment, and the gradual withdrawal of the state from an active role in the economy."[62] While promising a financial and economic miracle to Egyptian families, the *infitah* was rather a "caesarean operation" (*'amaliyya qaysariyya*) aimed at eradicating socialism from the country and at dismantling the social system created by Nasser, leading to a loss of faith in the Egyptian national interests and values. Not only did the open-door policy result in a major change in the Egyptian class structure, increased inequality between the rich and the poor, and growing public debt burden that forced many to emigrate or remain alienated at home, but it also had a strong impact on the country's dominant values, especially after the signing of the peace treaty with Israel. The problem of contemporary Egypt is, in the words of Ibrahim Abu-Rabi',

> a problem of a disjuncture, the result of huge modernization projects that benefited a small business elite without a comprehensive plan to modernize either the overall structure or the values of Egyptian society. [...] Because of this huge gap between *modernization* and *modernism*, it was quite easy to implant imported new values in the Arab psyche that did not jive with their true personalities. Those values were the products of a different society with specific historical and social conditions. What resulted from the loss of correspondence between social change and values was marginalization and alienation [emphasis added].[63]

[60] See *Why Do People Become Islamic Extremists?*, the video realised by Prager University with Haroon Ullah, senior State Department advisor and foreign policy professor at Georgetown University School of Foreign Service.
[61] I. M. Abu-Rabi', *Contemporary Arab Thought*, op. cit., p. 151.
[62] G. Amin, *Whatever Happened to the Egyptians?*, op. cit., p. 9.
[63] I. M. Abu-Rabi', *Contemporary Arab Thought*, op. cit., pp. 153-154.

Hence, not only did the Egyptian rulers fail to bring about *modernism*, a consciousness to be modern, after *modernisation*; they also let human relations and traditional values (also linked to what we have defined "Arab social contract" in Chapter 3) decline in favour of the rise of a greedy elite that led a more and more materialistic lifestyle.[64] Mubarak's renewed *infitah* reinforced this tendencies and presented them as a moment of growth, development and modernisation; it should be no surprise, then, that "modernity" and "modernisation" were rejected by many among the most deprived.

Similar trends characterised the ERSAP period. As explored in greater detail in Chapter 4, Egypt's failure to build upon successful stabilisation and transform the structure of its economy, coupled with the unequal incorporation of the country into the contemporary capitalist world economy, had led to negative effects that included unemployment, lack of social mobility, cuts in subsidies and reduced social protection and, overall, worsened poverty and inequality. Furthermore, the country's political and economic "dysfunction" was often paralleled by the influence of external actors: for one thing, several Arab states depended (and still depend) on the financial, technical and military aid provided by oil-producing countries and external powers, especially the US. The decline and the fluctuations of these resources, particularly oil rents, had a huge impact on the political fortunes and the stability of the States that depend on them. The vulnerability deriving from such dependency increased the sense of expropriation of the regimes' decisional capacities and questioned their ability to meet the expectations of their populations. In addition, security concerns have increased Western involvement in terms of intervention and support of authoritarian Arab regimes even during the 1990s, after the wars in Afghanistan and in the Gulf, and in spite of the increasing importance assigned to the issue of democracy in political choices and debates in the Arab region.[65] Following the 2001 attacks to the World Trade Center and the beginning of the global war against terrorism, such support has continued and even increased.[66] The situation further deteriorated following the confused reactions of Arab regimes to the challenges represented by the US invasion of Iraq, globalization and the war against terrorism: if, on the one hand, Arab rulers wanted to accommodate popular opposition to American intervention and influence, they also struggled, on the other hand, to avoid straining relations with the US. Added to the global economic downturn, the regional instability due to the second Intifada and the invasion of Iraq, these factors had serious implications for the economy of the main Arab states. Hence, not surprisingly, a deep sense of despair, impotence and resentment (or, as we have defined it in this chapter, of humiliation

[64] "The economic open-door policy, a major phenomenon of economic downfall, has led to the marginalization of human relations." (N. Radwan, *al-Shabab al-Misri al-Mu'asir wa Azmat al-Qiyam* [Contemporary Egyptian Youth and the Crisis of Values], al-Hay'ah al-Misriyyah al-'Ammah li'l Kitab, Cairo 1997, p. 125); see also A. Anwar, *al-Infitah wa Taghayyur al-Qiyam fi Misr* [*Infitah* and Changing Values in Egypt], Misr al-'Arabiyya li'l Nashr wa'l Tawzi', Cairo 1993.

[65] Feelings of humiliation and impotence in the region were particularly exacerbated by the way events unfolded in Iraq: besides Saddam Hussein's dictatorship, the population suffered from the effects of at least three military strikes (Desert Storm, 1991; Desert Fox, 1998; Enduring Freedom, 2003) and an embargo that impoverished and killed millions of Iraqis. Hence, a punished people felt outraged and came to believe that "international protection" was all but a limitation of its aspirations and a US attempt to militarily, technologically and financially dominate the region. The wave of disillusionment and pessimism that followed the war created fertile ground for the establishment of armed group and the recruitment of terrorists. See C. Tosi, 'L'Iraq americano', in M. Torri (ed.), *Il grande Medio oriente nell'era dell'egemonia americana*, Bruno Mondadori, 2006 pp. 350, 364; E. Di Nolfo, *Dagli imperi militari agli imperi tecnologici*, Editori Laterza, Bari 2008, pp. 407-408.

[66] L. Guazzone, F. Bicchi, D. Pioppi, (eds.), *La Questione della Democrazia nel Mondo Arabo*, Polimetrica, Monza, 2004, p. 124.

and *malheur*) became widespread in the region. Corrupt and inefficient Arab regimes were the first targets of discontent and opposition, but most people in the region saw them as mere puppets in the hands of the West and the US in particular, whose military interventions and financial influence have been interpreted as means to transform the Middle East according to its interests and needs.

The most serious response to the challenges of real and/or perceived external domination, first embodied by colonialism and later by globalization, was the religious and cultural response offered by Islamism. The Islamic "revival" was able to capitalise on the demographic, social, economic and cultural changes that took place in the Arab world in the last century, and to appeal to that large group of people who were disillusioned with the ruling regimes, the victims of the unfulfilled socio-economic progress, and all those who felt humiliated by these factors in addition to the defeats suffered with Israel. Furthermore, repression of dissent eventually favoured the role of the mosque in assembling opposition to the (politically) moderated regimes that had to be toppled to implement the *shari'a* and create real Islamic states.[67] The political success of the Muslim Brotherhood, for instance, can be justified in terms of its closeness to the poor and urban outcasts made possible by their economic and charitable networks in addition to the resort to Islamic values and beliefs: in periods of great tension and transition, in fact, religion can bring a certain measure of solace, hope and stability.[68] As noted by Abu Rabi', however, Islamic "resurgence" cannot be reduced to "political Islam", as this terms fails to convey the cultural, intellectual, spiritual and ethical dimensions of such resurgence. As he wrote:

> resurgence is an overall ethical, educational, social, cultural, and political movement that has given rise to a variety of expressions and concerns about the fate of the Arab world, its present and future relationship with the West, and its ability to lead the Arab world into the future. [...] the most important concern has been how to assert a new cultural and political identity in an age where the destiny of the entire Muslim world lies in achieving a certain measure of balance between international demands and internal concerns for cultural and economic autonomy.[69]

At the same time, even in the realm of political Islam there are significant differences between the plethora of parties and movements. Another form taken by the Islamic trend (and that, nevertheless, has ultimately *political* objectives) is that of violence in the name of lost values and religion. Several groups supported their cause carrying out terrorist attacks, mainly against non-Muslims, but also against their co-religionists. At first, these attacks (especially in Egypt and Saudi Arabia) targeted national governments, defined as impious or anti-Islamic. The failure of this strategy, also due to declining popular support, later

[67] R. Redaelli, *Il Fondamentalismo Islamico*, op. cit., pp. 73, 120.
[68] Considering the case of the middle and lower classes of Syrian society between the 1970s and the 1980s, Abu Rabi' noted that "Attendance of mosque prayers increased, especially by youth, as did the number of those wishing to perform pilgrimage. There was also a conspicuous movement on the part of some women of donning the veil. These examples point to the fact that the sacred constantly renews itself in times of political and social crises. It becomes a matter of self-preservation, of striking a new balance between addressing social wounds and cherishing deeply entrenched values." (I. M. Abu-Rabi', *Contemporary Arab Thought*, op. cit., pp. 155-156).
[69] *Ibid.*, p. 158.

pushed jihadist groups to target American or Israeli objectives, more easily identifiable as enemies.[70] This change in strategy became evident with the Soviet invasion of Afghanistan in 1979. The war had a huge impact on the expansion of jihadist Islamism, since many of those who fought in Afghanistan later continued the fight in their own countries, against their own governments. Then, more than overthrowing impious governments, the aim of *jihad* became the defence of Muslim territories, particularly Palestine and Afghanistan.[71] In the following years, the leaders of al-Qa'ida (emerged from the movement that fought the Red Army in Afghanistan), Osama Bin Laden and Ayman al-Zawahiri, identified the target of their struggle in the "far enemy" (*al-'adu al-ba'id*), that is, the Americans and their allies, guilty of supporting the tyrants ruling the Arab-Islamic world.[72] Jihadist violence is perhaps the extreme manifestation of the *malheur* described by Kassir, as it is especially the result of a crisis of political representation of Muslim people, which pushes some individuals to advance their political claims on the terrain of violence.

The resort to violence, however, is not the only possible reaction to humiliation and *malheur*: towards the end of the 1990s, in fact, several Islamist movements shifted to political conservatism. Their field of action had progressively been limited to national territories, and the limited results obtained in the elections had forced them to come to terms with other political forces. According to Olivier Roy, the original revolutionary rhetoric (such as the emphasis placed by Qutb on the concept of social justice) had been replaced by a conservative political programme, characterised by the necessity to adapt national laws to the *shari'a* and express the needs of the middle class rather than those of the most disadvantaged social strata.[73] An example of this trend is the support provided by the group *al-Jama'a al-Islamiyya*, on the basis of the *shari'a*'s approval of property rights, to the agrarian reform passed in the 1990s, under Mubarak's presidency: the reform has gradually eliminated controls on land leases and the guarantee to tenants that the lease contract would be hereditary. The steep rise of the leasing costs that ensued forced hundreds of thousands of farmers to abandon their lands and engendered a concentration of land ownership in the hands of a few powerful landlords.[74]

In sum, the crisis of the states[75] emerged after decolonisation, the governments' corruption, the failure of socialist projects and the inability to contrast the West and Israel left the way open for a new kind of (cultural) nationalism, declined in terms of religion, tradition and identity, that could also be

[70] G. Kepel, 'The Jihad in Search of a Cause', *Financial Times*, 2/09/2002.
[71] After Sayyid Qutb, the most influent jihadist thinker was perhaps the Palestinian 'Abdallah 'Azzam (1941-1989), who was the main inspirational figure and organiser of the Arab participation to the war in Afghanistan during the 1980s. See T. Hegghammer, 'Abdallah Azzam, l'Imam du Jihad', in G. Kepel (ed.), *Al-Qaida dans le texte*, Presses Universitaires de France, Paris 2005, pp. 115-138.
[72] For a reconstruction of al-Qa'ida's ideology based on texts and biographies see G. Kepel (ed.), *Al-Qaida dans le texte*, op. cit. Another overview of the movement is provided by A. Plebani, 'La nuova al-Qa'ida: tra dissoluzione e rinascita', in R. Redaelli (ed.), *Global Jihad: temi, piste di diffusione e il fenomeno del reducismo jihadista*, CeMiSS – Ricerche, Landau Network – Centro Volta, Como, pp. 111-163.
[73] O. Roy, *Globalized Islam: the Search for a New Ummah*, op. cit., p. 77.
[74] I. Errico, 'Egitto. La primavera dei contadini contro il potere dei latifondisti', *Nena-news*, 01/06/2015.
[75] It is also owing to such crisis that many started believing that the Western ideas and socio-political models transferred to the Middle East are destined to fail because of the social and cultural formations of Islam, which only allow for a very superficial "graft" of notions alien to the "Muslim mind", such as that of territorial state.

wielded as an oppositional ideology. Indeed, when the state disintegrates and the allegiance owed by its citizens dissolves, bonds referred to more ancient and deeply rooted identities inevitably resurface.

Globalization, modernity and identity

One factor that is generally assumed to be fundamental in explaining the rise of Islamism and discourses based on the importance of culture as a criterion of belonging is the desire for "authenticity". Islamist thinkers mainly understand authenticity (*khususiyya*) to be linked to Islam and, at the same time, to be under Western attack.[76] Hence, it is but a short step from advancing such arguments to claiming, with a syllogism, that Islam itself is under Western attack. Western conceptual and cultural hegemony is believed to be at the root of "a crisis caused by the disintegration of our civilisational personality (*inhilal shakhsiyyatina al-hadariyya*)", as expressed by Rachid al-Ghannouchi, head of the Tunisian moderate Islamist party al-Nahda.[77] In this sense, the key issue in the "battle" against the West (and, broadly speaking, on the "battleground" of globalization) is the preservation of identity. This issue has gained even more relevance over the last decades, and especially influenced reactions to the notions of modernity and globalization. In the fast-changing contemporary world, sometimes perceived as merciless, there is a widespread obsession with the conservation of tradition and authenticity, and in the Arab region globalization is widely perceived as the latest stage of neo-colonialism, "the culmination of the success of the Capitalist project worldwide."[78]

To be more precise, the concept of globalization is treated very differently by various intellectual currents in the Arab world. According to Arab Marxists such as Samir Amin and Sadiq Jalal al-'Azm, for instance, globalization is a process started in the sixteenth century that has become a "dominant world civilization [...] a natural product of modernity and an extension of its modernization project of the 1950s and 1960s"; these authors specify, however, that globalization does not correspond to Americanisation tout court.[79] On the other hand, Arab nationalists and Islamists only consider contemporary manifestations (political, economic, cultural and religious) of globalization, and not its past economic history; however, while Arab nationalists like Galal Amin appear to be more concerned about the role of the state in an increasingly globalizing world, especially in terms of reduced welfare for Arab societies, Islamists are more preoccupied with the distinction between *'awlama* (globalization) and *'alamiyya* (universality): they juxtapose the universality of Islam to the globalization of capitalism, with the aim of discrediting the latter. Nonetheless, nationalists and Islamists agree that globalization can be equated with Westernisation and, more specifically, Americanisation, an arrogant expression of American hegemony, and therefore an aggressive form of "cultural and intellectual invasion" (*ghazw thaqafi wa fikri*), neo-

[76] R. Woltering, *Occidentalism in the Arab World. Ideology and Images of the West in the Egyptian Media*, I. B. Tauris, London – New York 2011, pp. 101 ff.
[77] R. al-Ghannouchi, *Maqalat: Harakat al-Itijah al-Islami bi Tunis* [Essays: The Islamic Tendency Movement in Tunisia], Dar al-Karawan, Paris 1984, p. 29. The Islamic Tendency Movement is what later became al-Nahda.
[78] 'A. Bilqaziz, 'al-'Awlamah wa'l hawiyyah al-thaqafiyyah' [Globalization and Cultural Identity], *Al-Mustaqbal al-'Arabi*, March 1998, p. 92.
[79] I. M. Abu-Rabi', *Contemporary Arab Thought*, op. cit., pp. 195-196.

colonialism in disguise. In this sense, authenticity, which refers to the cultural or religious distinctiveness of the Arab world, is opposed to and threatened by the domination of "Western capitalist civilization".[80] These are the views held, for example, by two major Islamist thinkers, Yusuf al-Qaradawi and Muhammad Qutb (brother of Sayyid Qutb), who represent the old generation of the Muslim Brotherhood. Both authors agree on the fact that the Muslim world must protect its cultural, religious and ethical values from imported ideologies, neo-imperialism and the other harmful effects of globalization.[81] Islam, in fact, is the answer and the *shari'a* the instrument to resolve the problems engendered by modernisation and the nation-state imported from the West. In this sense, the current supporting the full implementation of the *shari'a* has increasingly gained mass support. According to another contemporary Islamist, the Egyptian Muhammad 'Imarah, not only is the Muslim world under Western attack, but the conflict is ideological, philosophical and religious, that is, civilisational, rather than simply political and economic. In 'Imarah's words: "The West is attempting to dissolve, dismantle, and do away with the social, cultural, historical, and religious identities of Muslims and Islam so that Muslims will surrender their identities without much resistance."[82]

The same theses are supported in a number of articles that can be read on the Muslim Brotherhood's official English website. In spite of the vagueness of certain definitions and the linguistic inaccuracy of some or their parts, the articles are extremely significant as they clearly and openly present the Brotherhood's bias against "the West" as a whole and the concepts of modernity and globalization, understood as Westernisation, Americanisation, and neo-colonialism. The importance of these articles lies precisely in the associations made between the notion of globalization and the oppression deriving from foreign interventions and domination; hence, although the first wave of globalization - that, according to one of the articles,[83] dates back to the development of the ancient Silk Route - was of "non-dominant nature", further waves of globalization have manifested themselves, from the nineteenth century until nowadays, as forms of external domination: political, particularly during colonialism, as well as financial and economic, especially at present, and sometimes paralleled by the resort to violence (as in "incalcitrant" (sic) countries like Iraq and Afghanistan). In line with the arguments analysed above, the author of the article argues that the current "third wave" of globalization is a form of cultural homogenisation that has "bulldozed all native cultures" as well as religious and civilisational values, and he quickly equates such homogenisation with Americanisation. The US plan for the domination of the region is clearly expressed:

> This globalization has also resulted in Huntingtonian theories like 'clash of civilizations' which are in the interest of American domination of Islamic world. And Islamic world is sought to be dominated on account of its treasures of oil [...] America lends blind support to Israel and keeps on arming it to

[80] *Id.*
[81] See Y. al-Qaradawi, *al-Muslimun wa-l 'awlamah* [Muslims and Globalization], Dar al-Tawzi' wa'l Nashr al-Islamiyyah, Cairo 2000, pp. 13, 16; and M. Qutb, *al-Muslimun wa-l 'awlamah* [Muslims and Globalization], Dar al-Shuruq, Cairo 2000, p. 10.
[82] M. 'Imarah, *al-Jadid fi Mukhatat al-'Alam al-Gharbi Tijah al-Muslimin* (The New Global Plan of the West for the Muslims), IIIT, Cairo 1983, p. 7.
[83] A. A. Engineer, 'Islam, Globalization and Challenges', *Ikhwanweb*, 19/04/2008.

> teeth as Israel is the only reliable ally in Middle East. It was in fact created with an eye on Arab oil. Many Arab rulers are also allies of America but rulers may be reliable but not the people of these countries. People continue to be anti-America.[84]

It is particularly significant that, while accusing the US of relying on "Huntingtonian theories" to justify its initiatives, the article, like most Islamist rhetoric, adopts the same language, that of the clash of civilisations, to legitimise its oppositional discourse; however, not only does the Islamist discourse, like Huntington, confuse culture in general with political culture, but by insisting on the notion of a cultural and religious (that is, civilisational, as they intend it) conflict between the Muslims and their enemy, "the West", it also perpetuates a sense of isolation and failure because it remains unable to face the contemporary challenges of development.

The same concern with identity and foreign domination perpetuated by globalization and modernisation is expressed in another article published on the Brotherhood's website; the author starts by explaining that people in the Arab-Islamic world "suffer from a loss-of-identity-phobia, this is a strong, excessive fear of losing their (Arab and Muslim) character and (sense of) belonging. Part of this fear is reasonable, considering the global changes brought about by the new-wave globalization." [85] Globalization is seen, again, as westernisation, a Western world order "that should be imposed on the world under American domination." In the article it is also maintained that Islam refuses both "that feature of *globalization* which is based on a political stance, i.e., the American current one", and "that aspect of *modernization* which believes in the materialistic philosophy [emphasis added]". Indeed, that of modernisation is another widely debated notion; it is defined as "a new mode of life which emerged four or five centuries ago in a certain place (i.e. Europe) and which subsequently became worldwide from about a century and a half ago." The main problem with this imported notion seems to be its supposed incompatibility with religion in addition to features such as "calls for atheism, secularism and materialism", although it is made clear that this does not imply a total rejection of modernisation. Prominent Shiite cleric Sayyid Muhammad Hussein Fadlallah is in fact reported to have said that "Our Islamic stance on modernization - as a general approach - is not a total agreement about it. But we may borrow the rationality aspect of modernization, as (the true) religion of Islam treats 'reason' as the basis of its beliefs and way of life."[86] Another voice that supports the compatibility between Islam and a certain understanding of modernity (one that takes the "reasonableness aspect" of modernity into account) is that of the Tunisian Rachid al-Ghannouchi, leader of al-Nahda, who maintained that "the achievements of modernity were grown in the field of Islam" and that political Islam is the result of a "successful marriage between Islamic values and modernity."[87]

In sum, globalization is understood as a materialist and homogenising political, economic, cultural and even ethical order, and it is widely believed to be inevitable. The various forms of resistance

[84] *Id.*
[85] M. A. al-'Amri, 'The Islamists & Their Alternative Vision of Modernization and Globalization', *Ikhwanweb*, 18/06/2006.
[86] *Id.*
[87] R. al-Ghannouchi, 'Hal fashal al-Islam al-Siyasi Haqqan?' [Has Political Islam Really Failed?], *Ikhwanonline*, 19/03/2017.

that have emerged against this process are received either as a rejection of modernity (which is considered to be a complement of globalization),[88] as responses to a universal civilisation that has its centre in the "West", or as "revisionary exercises of a dying order."[89] According to Mustapha Kamal Pasha, the downside of these forms of resistance to neoliberal globalization (or, as he defines it, hyperliberalism) is that they mainly appear in a *cultural* form, while fundamental issues of poverty, inequality, marginality and exploitation are pushed aside and frustration voiced only through *religious* protests or *cultural* resistance. As Pasha wrote, "The necessary, though complex nexus between social dislocation under globalizing conditions, and Islam is subordinated to a link between modernity and tradition."[90] It is worth stressing again the *neoliberal* character of the contemporary globalizing process, as neoliberal globalization is not the same as globalization tout court. Moreover, features typical of the neoliberal ideology, especially individualism, have exerted a significant influence on the way forms of resistance have taken shape and resorted to traditional values of solidarity, charity and generosity – to which Islam and other religions attach particular importance - to recreate forms of commonality, justice and social responsibility. As Pasha wrote in another article, "The growing disconnect between an already fractured political community and an increasingly illegitimate state provides Islamicists the opening to capture key institutions in civil society or to create alternative avenues of communal identity, participation, and civic action."[91] In other words, it seems that Islamism is gaining from processes of modernisation and (neoliberal) globalization in the Arab world as the new (and last) hope for the dispossessed middle classes and the poor.

In this chapter we have tried to emphasise the influence that ideas and ideologies in the Arab region exert on the development of a vision of the world and the role to play within it. We have especially discussed how the past, when conveniently selected, can become an instrument of legitimisation, while conspiracies can be denounced by both religious and secular forces in reaction to the feeling of humiliation that has become widespread in the region. The rise of fundamentalist movements and the increased violence of the last few decades can be considered among the possible outcomes of the particular circumstances characterising the contemporary Arab world, dominated by feelings of humiliation and *malheur*. However, as we have seen, this is all but a necessary outcome, nor the only one possible: indeed, the shift of many Islamist movements toward political conservatism is another recent development. Having said this, it is nonetheless true that the redemption to achieve by emphasising identity and the authenticity of Islamic values as opposed to Western imperialism has remained unattained, while all that is left is the rhetoric relying on those same values and identity. The fundamental objective of Islamist movements was (and is), in fact, political success; but their political project is extremely fragile, since it is based on the rhetoric of the clash of civilisations and Western conspiracies.

[88] J. O. Voll, 'The Mistaken Identification of "The West" and "Modernity"', *American Journal of Islamic Social Sciences*, Vol. 13, Spring 1996, pp. 1–12.
[89] B. Tibi, *Islam and Cultural Accommodation of Social Change*, Westview Press, 1990, especially pp. 119–134.
[90] M. K. Pasha, 'Globalization, Islam and Resistance', in B.K. Gills (ed.), *Globalization and the Politics of Resistance*, Palgrave Macmillan, London 2000, p. 242.
[91] M. K. Pasha, 'Predatory Globalization and Democracy in the Islamic World', *The Annals of the American Academy of Political and Social Science*, Vol. 581, Globalization and Democracy, May 2002, p. 121.

Opposition to external or internal enemies, such as the US and Arab "impious" regimes, becomes an end in itself, while the adoption of more conservative political positions is a means to present Islamist movements as champions of national and cultural identity against manifestations of neo-colonialism such as economic, financial and cultural globalization.

The cultural version of nationalism offered by political Islam has also been referred to as "*Umma* nationalism". To be sure, since the Islamic utopia of a universal *umma* is consider to include all humanity, the use of the term "nationalism" appears inaccurate; yet, since Islamic fundamentalists have political objectives and operate in a system of nation-states, which are also defined in terms of ethnic, sectarian and national strife, we can observe a combination of ethnicity, nationalism, sectarian rivalries together with a rhetoric of universal claims. In other words, in spite of Islamic claims of universalism, an ethnic or national bias is always involved, all the more so as the rise of Islamism has gone hand in hand with a reassertion of the Arabness of Islam.[92] Furthermore, it is this universalist project based uniquely on faith and the clash of civilisation rhetoric that is responsible for the inertia and the inability to solve the problems faced by the region. Because they are excessively focused on the sense of failure and humiliation Arab populations have suffered for decades, fundamentalist movements insist on trying to go back to the origins of Islam so as not to face the contemporary challenges of development, thus perpetuating the feeling of isolation, failure, humiliation and *malheur*.

Modernity, modernisation and globalization have had both positive and negative effects in the Arab region as everywhere else. Many among Arab thinkers and common people believe that Arab rulers and the West are behind the problems affecting the region, and that Western-led globalization has reinforced authoritarianism. Understanding the consequences of these processes and facing their negative effects requires a new popular consciousness. To do so, according to Ibrahim Abu-Rabi', Muslims have to revive the social, economic and financial ethics of Islam, a sense of community, to contrast the attacks and negativities of individualism, such as impoverishment and marginalisation.[93] On the other hand, while agreeing that a new popular consciousness is indeed necessary, Samir Kassir argued that, instead of emerging as a revival of the Islamic communal ethic, it should take the shape of a re-examination of history and responsibilities, leaving aside conspiracy theories and the idea of predestination, as this is the only way for Arabs to take the future in their own hands once again.

Final thoughts

The aim of this chapter was to prove the significance of perceptions in the contemporary Arab world through a historical and sociological analysis, and to provide additional explanations of the rise of a cultural form of nationalism in the current era of (neoliberal) globalization. The considerations of Moïsi and Kassir presented in the first part have shed light on the developments currently characterising the region, particularly the prevalence of a strong feeling of humiliation, linked to more general feelings of

[92] B. Tibi, *Arab Nationalism between Islam and the Nation State*, op. cit., pp. 219-220.
[93] I. M. Abu-Rabi', *Contemporary Arab Thought*, op. cit., p. 200.

malaise, persecution and even self-hatred. This "emotional state" permeates all spheres of the life of Arab societies, and sometimes even crashes confidence in one's own identity, hindering the ability of individuals and societies to take a proactive attitude and positively interact with the rest of the world. The inclusion of perceptions and emotions in the analysis is of great significance – albeit extremely delicate - because history, ideas and collective "emotional states" interact in various ways and with non-negligible consequences, regardless of cultural and religious peculiarities. For this reason, it was important to underline the superficiality of the notions of essentialism and exceptionalism, all too often included in theories advanced both inside and outside the Arab region. Criticising these views is essential to show that Arabs are not all the same nor are they predestined to violence and dictatorship. Believing that tyranny and violence are all their future holds because of their culture or because of the Islamic religion (thus taking for granted, among other things, that all Arabs are Muslim) is a serious anthropological and not simply political mistake. And yet, these ideas have become widespread both in the West and in the Arab region, deepening the immobilism of Arab societies, particularly as hostility, suspicion and violence are believed to be the only legacy of the "long century" of Islam;[94] the encounter with the West and modernity is often interpreted as a disaster because all the ills suffered today by the Middle East are believed to be imputable to the West and its power politics.

Even though reactions based on the resort to religion are numerous and very different from one another, recently it was especially the Islamic State[95] that voiced the feelings of humiliation and resentment of Arab Sunnis, offering them a religious solution. Before long, however, it became clear that any possible political objective had been lost sight of, and replaced by self-destructive behaviours, acts of rejection of an alienating reality. And yet, an alternative to a similar outcome does exist, and it is to be found in the re-examination of historical events, starting from the confrontation with Western power and culture, and the economic, political, social and emotional factors that have contributed to shaping the current circumstances of the Arab region. The importance of perceptions, ideas and emotions emerges precisely in this re-examination of history called for by Kassir, which is fundamental for Arabs to understand and become aware of their own decline, started as a civil and cultural crisis stemmed from a wrong reaction to the irruption of modernity in the region. Besides gaining awareness of these developments, it is necessary to give up victimism (which is what allows people to deny responsibility) and the attachment to the myth of the Islamic "golden age". Indeed, a first step towards the end of the current impasse would consist in a reaction against immobilism and nihilism, looking back at the most important moments in Arab history without nostalgia nor resentment, and rising to the challenge of democracy and modernisation. In addition to a number of reforms and a productive economic development, what the Arab region and all those who have fallen prey of humiliation need is an

[94] If the twentieth century can be described, borrowing Eric Hobsbawm's famous definition, as "the short twentieth century", then the period that for the Islamic world starts with the nineteenth century and is extended until nowadays deserves perhaps the definition of "long century": almost two hundred years dominated, in one way or another, by the scientific, technological, and cultural confrontation with the West (M. Diez, 'Il secolo lungo dell'Islam', *Oasis*, 12/06/2015).

[95] On the development and ideology of the Islamic State see C. Bunzel, *From Paper State to Caliphate. The Ideology of the Islamic State*, The Brookings Project on U.S. Relations with the Islamic World, Analysis Paper no. 19, March 2015.

attribution of meaning.[96] In the last few decades, the search for such meaning was based on the resort to a specific identity as well as particular values and ideologies; however, the fact that such resort occurred with a view to the opposition raised against Western imperialism and more or less imagined conspiracies, turned the dream of redemption into a utopia, forever unattainable because of the social, political and economic immobilism suffered by a great part of the region's populations.

Very often, today, the dream of grandeur and redemption leaves the place to an empty, rancorous and vengeful rhetoric, but this is not enough to deny the role played by perceptions, ideas and emotions just because of fear of the use that can be made of them. Attempting to prevent the diffusion of ideas would be impossible, other than useless. As pointed out by Halliday, it is undoubtedly more difficult, but indeed more revealing, to adopt an approach that

> recognises the importance, indeed necessity, of such value systems [political, religious, "informal", characterising the people's daily life or formally codified by the ruling élites] in communities and nations, but which takes a historical and sociological distance and sets these systems within a triple, explanatory context: first, that of *socialisation*, one that follows the agenda of Barrington Moore and looks at why and how ideas are transmitted, or adjusted, by successive generations and by competing groups of political leaders; secondly, that of *comparison*, whereby claims as to uniqueness of Middle Eastern politics and discourses are tested against examples of other regions of the world, developed and developing; thirdly, that of *historical context*, whereby the social, and perhaps historical, sources and appeals of these ideas are examined.[97]

An approach, in conclusion, that allows to disprove, once more, essentialist claims on the Arab-Islamic world, both inside and outside the region. Indeed, Arab voices have risen against the victimism and nihilism that paralyse so many in the region, many people who still feel that the tide of history is not going their way, and that their voices are destined to remain unheard. One of these "dissident" voices is that of Lebanese-born French novelist and member of the Académie française Amin Maalouf, who, as an encouragement and a hope for the future, lets "the disoriented" protagonist of his novel express his frustration with these words:

> On ne cesse de me répéter que notre Levant est ainsi, qu'il ne changera pas, qu'il y aura toujours des factions, des passe-droits, des dessous-de-table, du népotisme obscène, et que nous n'avons pas d'"autre choix que de faire avec. Comme je refuse tout cela, on me taxe d'orgueil, et même d'intolérance. Est-ce de l'orgueil que de vouloir que son pays devienne moins archaïque, moins corrompu et moins violent? Est-ce de l'"orgueil ou de l'intolérance que de ne pas vouloir se contenter d'une démocratie approximative et d'une paix civile intermittente? Si c'est le cas, je revendique mon péché d'orgueil, et je maudis leur vertueuse résignation.[98]

[96] D. Bouzar, *Comment sortir de l'emprise "djihadiste"?*, Les Éditions de l'Atelier/Éditions Ouvrières, Ivry-sur-Seine 2015, p. 108.
[97] F. Halliday, *The Middle East in International Relations*, op. cit., pp. 227-228.
[98] A. Maalouf, *Les Désorientés*, Le Livre de Poche, Paris 2014, pp. 69-70.

Conclusion

This dissertation advanced a simple and yet uncomfortable argument: that it is not always reality that counts, but rather that the way reality is *perceived* matters to such an extent that those perceptions can end up being equated with reality. Mechanisms such as denial, the search for a scapegoat and victimism come into play. Advancing this hypothesis was not a *divertissement* for its own sake, but rather a warning and a recommendation to value perceptions while not limiting the analysis to them, and avoiding overlooking reality, with all its possibilities and constraints. This work started as an attempt to provide an explanation of the most recent cultural and religious turn in Arab societies by exploring the relationship between IMF-led globalization and cultural nationalism. More precisely, the starting point was considering the relationship between economic austerity and the increased success of political Islam, trying to assess whether any such relation actually exists and, if so, if it could be analysed to prove the existence of some kind of causality between one factor – economic austerity – and the other – the increased popularity of political Islam and religious fundamentalism in the last decades.

In Part I, I have defined the main elements of this equation: cultural nationalism, of which political Islam can be considered as a manifestation (and I will further justify this parallel in a moment), and neoliberal globalization, a process characterised by the worldwide diffusion of an economic (and, in many respects, ethic) framework based on austerity, competition, and individualism. Besides highlighting that neoliberal globalization cannot be equated with globalization tout court, as neoliberalism is a policy approach that influences the effects of transnational and supraterritorial respatialisation, I have in fact drawn a parallel between the complex and multi-faceted notion of cultural nationalism and an extremely context-specific phenomenon, political Islam. I am aware that this might be considered a debatable choice; yet, contextualisation in space and time is necessary to build solid arguments and avoid the risks highlighted so many times in the previous pages: generalisation, essentialism and cultural determinism. Having to discuss the peculiarities of the Arab region, I have focused on the concept of cultural nationalism, which has characterised the attempt made especially (but not solely) by former colonies – including contemporary Arab states - to cultivate a nation intended as a moral community, and revive an alleged national community's culture to create group cohesion and loyalty against foreign domination, as well as to create authorities able to mobilise social forces and pursue development. Arab cultural nationalism emerged in the XIX century in the form of a literary renaissance, a return to the past aiming at overcoming alienation and finding a new, more inclusive, identity. Only later did Arab cultural nationalism assume a political connotation, as a reaction against Turkish nationalism and European colonial control after World War I. Indeed, it is generally believed that the need to express a community's identity, history and destiny arises especially in times of social, cultural and political unrest linked to the impact of modernity, and often in the early phase of a national movement, although it can also manifest itself in long-established national states. To be sure, when studying the history of the Arab-Islamic world nationalism can be a tricky category, as Muslim societies in particular are influenced by two alternative identity dimensions: the sub-national level of local communities and the supranational level, represented

by Panarabism and Pan-Islamism. In addition, and with particular regard to the latter, it has been pointed out that Islam is a universalism, and thus it seems contradictory to associate the term nationalism with Islamic calls for the formation of a cohesive and global *umma*, that is, to existing Muslims. Nonetheless, Islamism has political objectives and operates in the system of nation-states, so its rhetoric of universal claims is mixed with ethnicity, nationalism and sectarian rivalries.

Consequently, I believe that for the purpose of my work it was preferable and more useful to focus on the relationship between state and society. While in Western countries nationalism emerged as the answer to the need for cooperation between state and society, in Arab countries this relationship was managed through the establishment of social contracts as models of solidarity and development. To be sure, a sort of "Islamic welfare" has always characterised Muslim societies, with an emphasis on "tribal" solidarity and an understanding of economics as closely linked to ethics, and particularly to values of charity and generosity, which influence both modes of governance and expectations of how those mechanisms should work to be legitimate. Indeed, as discussed in Chapter 3, embedded cultural and religious beliefs significantly contribute to shaping perceptions and expectations, and in Muslim societies those beliefs are tightly linked to dependency as a value and to solidarity as a moral and religious obligation. This, in turn, inevitably influences the forms and modes of the "contract" existing between citizens and rulers. Thus, not only did the Washington Consensus and structural adjustment programmes dismantle the post-independence Arab social contract and its related development model, but also that centuries-old "contract" that was so deep-rooted in the history and culture of Arab-Islamic countries. Hence, this work supported the following argument: that the implementation of structural adjustment programmes, and specifically austerity policies, was responsible for the dismantling of the Arab social contract, and therefore the retreat of increasingly indebted states from social services provision and a worsening of living conditions, which led more and more people to search for alternative forms of solidarity, especially on religious and cultural lines, as a reaction against the impact of modernisation and westernisation, often associated with (neoliberal) globalization.

To be sure, structural adjustment reforms alone cannot be held responsible for the socio-economic "dysfunction" of which Arab countries suffer. During the post-independence years, most Arab states saw the emergence of largely similar social contracts, characterised by large public sectors, corporate relations with various groups, the provision of universal access to education, health care, water, electricity and other public services, land reforms and industrial growth based on import-substitution strategies, with significant achievements in terms of rapid upward social mobility, income growth and fairly equitable growth distribution. Yet, it was because of the failure of state-led development models to generate enough growth, provide job opportunities and better living standards to fast-growing populations, that various segments of these social contracts started undergoing partial liberalisation in the 1970s, according to an approach called *infitah*, openness, and even greater liberalisation since the 1980s and 1990s with programmes of structural adjustment. Chapter 4 looked at these developments considering the way the Egyptian economic and political systems were "corrected". The aim was to attract external finance from

the Gulf and the West by promoting investment, liberalising trade, reforming the banking sector, extending privileges to the private sector and reorganising the public sector to reduce state intervention to a minimum, including in the area of social assistance; however, privatisation proceeded slowly, corruption was rampant, inflation rose exponentially and inequality skyrocketed. Two aspects of the structural adjustment programme are particularly noteworthy: first, the centrality of the state (and notably of the military) in the reform process, contrarily to claims that neoliberal reforms in Egypt corresponded to a mere retreat of the state from the economy; secondly, the fact that successful stabilisation was not followed by a fundamental restructuring of the Egyptian economy, partly owing to the reluctance of the government to carry out reforms that could have threatened the regime, and partly because of the lack of World Bank leverage over reform. This last aspect was due both to the availability of alternative sources of funding, especially USAID, and to the massive, geopolitically-motivated debt relief obtained in exchange for support of the US campaign during the first Gulf War. Indeed, the US and other Western patrons were often rather permissive with the Egyptian government, especially concerning fiscal performance and authoritarianism, which was tolerated because of the increased Islamist violence and the political success of non-violent Islamism, which were, incidentally, also reinforced by external interferences of perceptions thereof.

This qualitative analysis of liberalisation and structural adjustment in Egypt was followed by a quantitative analysis on poverty, inequality and welfare trends following the implementation of reforms. After highlighting the importance of definitions and measurement methodologies for poverty and inequality, the chapter challenged with facts and data claims of low extreme poverty and inequality in the Arab region. For what concerns inequality, concentration of wealth in the hands of the elites connected to the State suggests increasing disparity in income and wealth. As for poverty, it was shown that the situation of middle-income countries such as Egypt is not properly described by methodologies that only capture extreme poverty (which is more applicable to LDCs including Mauritania, Sudan and Yemen) such as the World Bank absolute poverty line, corresponding to $1.25 and later changed to $1.90 PPP. On the contrary, most middle-income countries and upper-middle-income countries have reported higher levels of vulnerability than poverty. Indeed, on average, moving along the scale from $1.25, poverty rates in the Arab region increase from 4 per cent to 19 per cent at $2, and to 40 per cent at $2.75. In the case of Egypt, the comparison of poverty rates at the absolute poverty line ($1.90) and at the lower and national poverty lines ($2.3 and $3 PPP per day respectively) showed an unquestionable worsening of poverty during the reform period and in the early 2000s as well as the significance of vulnerability compared to absolute poverty. Non-income aspects of deprivation were included in the analysis, as they have received increasing attention in the last years and appear to be particularly significant for a number of countries in the Arab region, including Egypt, where living conditions are not properly pictured by methodologies that only describe extreme poverty. Hence, poverty and welfare trends in the ERSAP period were also analysed by considering data on unemployment, access to health and education, infant mortality and malnutrition, highlighting a worsening of these indicators in the period considered.

The fact that the poverty alleviation strategy proposed by the World Bank through ERSAP was not fully implemented might give the impression that there is no direct causal link between the implementation of structural adjustment reforms and the failure of the Egyptian government to reduce poverty, but rather that its unwillingness to reform and the shortcomings of the country's economy are to be held responsible. Nonetheless, to affirm that structural adjustment had only positive outcomes is far from the truth: the early 1990s, the period of more serious economic reform and stabilisation, saw in fact a worsening of poverty, while the second half of the 1990s was a period of reduced structural reform and saw an improvement of poverty rates. Hence, the incorporation of Arab economies in a subordinated and dependent position in the contemporary capitalist world economy explains the difficulties faced by the countries of the region as much as the reluctance of the regimes to give up rentier politics and their negative effects. In addition, this development was paralleled by imperialist military aggressions and interventions; it is thus not surprising that many Egyptians (and other Arabs in the region) have considered the trends of the last decades as a whole and felt that their living conditions have worsened since the implementation of the reform programme in the 1990s. In sum, worsened poverty rates, declining service provision, disillusionment with governments and resentment against foreign powers that supported the regimes and pushed neoliberal reforms have led many to look for alternative forms of poverty alleviation and solidarity, which resulted in an increased activism of civic groups, particularly faith-based organisations, and the strengthening of political Islam. The ability of these organisations and movements, especially the Muslim Brotherhood, to foster social capital through the extension of their networks, the affordable prices of their services, and the resort to religious values of justice, mercy and solidarity played a crucial role in their political success. Indeed, the moral foundation of religion, its emphasis on social justice and collective responsibility for the welfare of society, as well as its capacity to provide a sense of individual and collective identity, have reinforced the belief that "Islam is the solution" and attracted the population, disappointed by the failure of the "forces of secularism" to guarantee the rights and protection they had promised.

While it is undeniable that discourses based on Islamic values were able to attract the destitute and the displaced by virtue of principles of commonality, solidarity, and universalism, which are in stark contrast with individualistic values supported by neoliberalism, the success of political Islam cannot be solely attributed to the decline in public welfare provision and the increased activism of faith-based organisations. An equally important role was in fact played by geopolitical factors such as the Iraq wars, the Palestinian-Israeli conflict, the disillusionment with Panarabism, socialism, and capitalism to meet the rising expectations of the populations and provide them with a renewed sense of destiny and hope, especially following the 1967 defeat, and the persistence of repressive and corrupt regimes allied with Western powers. This is why many, in the region, have started to look at Islam as the only alternative ideology able to remake Arabs the masters of their own destiny and to challenge the ills of (neoliberal) globalization and modernisation, often associated with imposed westernisation.

The importance of this association was dealt with in Chapter 5, that examined the meaning of modernity and globalization for the Arab malaise and offered a complementary explanation of the recent rise of a cultural version of nationalism that has taken various shapes, from Islamism to extremism and religious fundamentalism. The chapter offered a re-examination of history, building on the awareness that perceptions, ideas and beliefs matter, even for the interpretation of politics and international relations. The analytical framework for this alternative – but not exclusive – explanation was provided by the theory elaborated by Dominique Moïsi on the Geopolitics of Emotion, the considerations made by Samir Kassir on the Arab *malheur*, and Halliday's remarks on the significance of everyday (and therefore more unquestioned) political culture, that he defined "informal ideologies". It was shown that there is a sense of historical decline at the root of the Arab-Islamic feeling of humiliation that is so widespread in the region, produced and exacerbated by a number of frustrating events: the submission to Western imperialism in the nineteenth and twentieth centuries, the illusion of independence, the creation of the State of Israel and the defeats suffered against the "Zionist enemy", and the inadequacy of the ruling leaders. Because socialism, Third World nationalism and neoliberal policies had failed to improve inequality and produced increasing disaffection with "secular solutions", the most marginalised social strata have started to feel nostalgia for a past (and lost) "golden age", to blame external forces and interventions ("the West") for the hardships they are faced with, and to rely on conspiracy theories and new forms of solidarity on cultural or religious lines. This trend was especially related to the growing concern with identity and foreign domination, triggered precisely, according to more and more strata of the Arab region's populations, by globalization and modernisation. Indeed, the preservation of identity, cultural, religious and ethical values became the main issue in the "battle" against the West and on the "battleground" of globalization, considered as the latest stage of neo-colonialism, a Western plan to impose capitalism worldwide. In this context, Islam was wielded as the solution and the *shari'a* as the instrument to solve the problems engendered by globalization, modernisation, and Western influence and interventions, as clearly emerges from the Islamist rhetoric analysed in the chapter, especially that of the Muslim Brotherhood.

Quite significantly, the political, economic, cultural and even ethical homogenisation associated with globalization is believed to be inevitable, and this perpetuates the immobilism to which the region appears to be condemned; in addition, since the forms of resistance that have emerged against globalization are received as a rejection of modernity and westernisation based on cultural and religious considerations, the rhetoric that supports them remains based on the same language it criticises, namely that of the clash of civilisations. The drawback is that frustration is voiced only through *religious* protests or *cultural* forms of resistance and that this has become an end in itself, while more pressing issues of development, poverty, inequality, isolation and exploitation remain unattended, thus perpetuating feelings of failure, humiliation and *malheur*. Hence, rather than being a simple revival of an Islamic communal ethic, the new popular consciousness on which Kassir insisted to overcome the Arab malaise should take the shape of a re-examination of history and responsibilities, leaving aside conspiracy theories and the

idea of religious predestination, as well as nihilism and victimism, in order to come to terms with globalization and modernity and reject Western double standards and Islamism.

Regrettably, more in-depth analyses of the effects of structural adjustment on other Arab countries such as Jordan, Morocco and Tunisia, as well as other ways in which neoliberal globalization has affected the region, its perceptions and attitude towards modernity and globalization itself go beyond the scope of a Master's dissertation. However, there is no shortage of further directions for research in this sense: it is the case, for instance, of the influence exerted by the enactment of neoliberal reforms in Syria in the early 2000s and by the post-conflict reconstruction on neoliberal lines that was carried out in Lebanon and Iraq. In Lebanon, the reconstruction of Beirut Central District in the aftermath of the civil war was especially criticised for the inequality and exclusion resulting from the privatisation, commodification and commercialisation of the city centre. Furthermore, Hezbollah's reconstruction and development work in the southern suburbs and in Southern Lebanon after the 2006 war against Israel, although often perceived (questionably) as an alternative to Solidere's exclusionary model, allowed the movement to emerge as the premier advocate and provider for poor and middle class Shia in a society that had long marginalized them and, similarly to the Muslim Brotherhood, to gain politically from its relief operations and services provision. As for Iraq, much has been written on the way the country was "erased" and rebuilt on the basis of Milton Friedman's vision of capitalism and to spread "freedom" in the troubled Middle East although, rather than a commitment to democracy, the freedom that was offered to the Iraqis was more similar to the kind offered to Chile in the 1970s. The 2003 invasion was followed by the Bush administration's idea of a post-war plan, consisting in a radical downsizing of the state and the privatisation of its assets and enterprises, the replacement of the local workforce with foreign contractors, the stripping of universities and the education system, the cannibalisation of public aid and resources, the erasing of culture and, even worse, of the sense of pride and hope in the future that the Iraqis could have enjoyed if they had been given the opportunity to benefit from the reconstruction of their country. Rather than a gift, the reconstruction was thus considered as a humiliation, a second invasion, a modernised form of pillage. Unsurprisingly, the wiping out of the country's industry and capacity to rebuild, which had been a source of national pride that cut across sectarian lines, hindered the possibility of reconstruction, exacerbated feelings of expropriation of a people's decisional capacity, weakened the voice of Iraqi secularism and led more and more people towards religious fundamentalism, the only source of power and solidarity in the void left by the state.

While certain more or less implicit values and beliefs can seem enduring and long-lasting, they are not eternal, but rather stem from clearly discernible historical forces. It is the modern political context that provides ideas with their meaning and strength. Here lies the re-examination of history on which this work insists so much: understanding the unnecessary character of events and the non-static nature of their effects is of the utmost importance to put humiliation and *malheur* into perspective and finally overcome them.

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