



## Economic Barriers to Democratization in MENA

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### Abstract

The literature on regime change in the MENA region had claimed the occurrence of political liberalization and democratization during the 1990s, foreseeing a transition from the dominant authoritarianism in the region to politically more liberal regimes. These analyses neglect the state of permanent authoritarian political regimes with the centralized economic power and their role as periphery states in the world system. In this paper, we have reassessed the existing literature on regime change in the MENA region taking into account the economic and political impacts of rentier economies, with a close look at the countries in the region where popular uprisings took place to overthrow authoritarian leaders during the first half of 2011. We have followed Schlumberger's (2002) method of classification and comparative approach in order to pinpoint a correlation between the authoritarian regime's economic power based on resource allocation, its political dominance and the leaders' role in neo-liberal global political economy.



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# Economic Barriers to Democratization in MENA

Ahmet Alkan ÇELİK, PhD.

## INTRODUCTION

Middle East and North Africa (MENA) is the only region in the world in which most of the states have - different types of- authoritarian regimes and have not experienced a transition to democracy for the last four decades; in other words since decolonization of the states. On the other hand, states of the MENA region control almost two third of proven world oil reserves while growth of local economies is not significant. Western institutions use big sums of funding to conduct researches for implementing policies for democratization and economic liberalization in the region while aid money flows to the authoritarian regimes of the region for 'development'. The attempts for democratization in MENA have supposed that the regime change with fair distribution of income would happen from top to bottom.

Existing literature on rentierism in the MENA region provides us with different approaches to find a correlation between authoritarian political regimes and economic dependence on rent revenues gained from the export of natural resources. In their discussions, while some academics have been trying to prove the existence of resource curse in empirical and theoretical frameworks, the others have argued the other way around based on sole empirical datasets.

By the end of year 2010, popular uprisings started to occur in the Arab countries of the MENA region demanding a revolution for regime change. Sparked by the Tunisian protests that have started in December 2010 (Kareem, 2001), popular uprisings have spread to Egypt, Syria, Yemen, Algeria, Bahrein, Jordan and Libya; the latter of which has transformed into a civil war. All these countries of the same region have a commonality: their economies are dependent on 'rents' from natural resources (Financial Times, 2011) or 'rent equivalents' from aid money and financial support (Schlumberger, 2006) which provide most of the export earnings and state revenues.

In this paper, the literature is revisited with a close look at the current anti-authoritarian popular uprisings (a.k.a. Arab Spring) in the region and the major role of external actors in the build-up of the situation. It is aimed to provide a holistic<sup>1</sup> approach that takes into account area specialization with socio-political dynamics to explain the existence of authoritarian political regimes in rentier economies. The role of external actors is especially excavated within the context of the current civil war in Libya. Also in the same context, Tillyan reflections on the analogy between war-making and state making from a European experience are explored in order to distinguish the internal and external factors in MENA region since decolonization from the European experience of a couple of hundred years ago.

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<sup>1</sup> Throughout the paper, "holistic" and "overall" approaches are used interchangeably

A majority of Western attempts for democratization, regime change and economic liberalization in the Arab countries have lacked a holistic perspective and previewed solutions to be applied from top to bottom -i.e. structural adjustment policies, partial representation, and good governance programs. However, given the patriarchal social fabric in the states of the region (Eckstein 1992; Eckstein and Gurr 1975) and economic power attributed to the leader who claims control over the rent revenues, expecting reforms towards a democratic political regime initiated from the polity is rather unrealistic if not naive.

According to Beblawi a rentier state has three significant qualities; “(1) the rents come from abroad, (2) the rents accrue to the government directly and, (3) only a few are engaged in the generation of this rent (wealth), the majority being only involved in the distribution or utilization of it” (1990: 87-88). There are two main categories of claims about the rentier state: claims suggesting oil wealth is incompatible with democratic regime type<sup>2</sup> and that suggesting it is incompatible with economic development.<sup>3</sup> We will examine the rentier states of the MENA region where the Arab Spring revolts spread out as of end 2010 in terms of their place in the global resource politics, will show why democracy cannot be compatible with oil dependent economies and will question whether resource curse exists due to the existence of excess resources.

First of all, we will follow Schlumberger's (2002) method of classification and comparative approach in order to pin point the correlation between economic power based on resource allocation given to the authoritarian leader and his political dominance that have urged the people to take collective action. Schlumberger's modal of comparison gives a practical framework in order to assess the openness of the regimes for democratization in the MENA region according to their regime types and natural resources which generate the rent income. The uniqueness of individual cases is respected; however, it is more relevant to look at the region in categories rather than in single case given the regional uprisings of 2011 and historical dynamics in the region that give us the obvious similarities between the states.

Schlumberger (2002:10) provided us with a matrix that classifies the Arab regimes according to their regime types (traditional authoritarian/bureaucratic authoritarian) and economic positions (resource-rich/resource-poor)<sup>4</sup>. Category A includes the resource-rich countries with traditional-authoritarian regimes i.e. Saudi-Arabia; Bahrain; Oman; Qatar; United Arab Emirates. Category B includes the resource-rich countries with bureaucratic-authoritarian regimes i.e. Iraq; Libya; Algeria. Category C includes resource-poor countries with traditional-authoritarian regimes i.e. Jordan; Morocco. Category D includes resource-poor countries with bureaucratic-authoritarian regimes i.e. Egypt; Tunisia; Syria. The countries where the Arab Spring spread fit into this matrix as follows: Bahrain in Category A; Libya and Algeria in Category B; Jordan in Category C; Egypt, Tunisia and Syria in Category D<sup>5</sup>. This exercise clearly shows us that in all of the resource-poor countries with bureaucratic-

<sup>2</sup> Given the authoritarian nature of rentier states in MENA

<sup>3</sup> Resource curse theory

<sup>4</sup> The modal shows the ideal types of Arab regimes prior to the late 1980s. However, we are using this information as “given” to build up onto.

<sup>5</sup> Although there has been demonstrations in Iraq and Morocco during the Arab Spring, they didn't have a systematic revolutionary demand in nature. Thus, they are not included in the matrix in order to avoid biased arguments.

authoritarian regimes under category D experienced the popular uprisings, not a surprising outcome, considering their political histories with different public revolts against the regime. The interesting part of the outcome is first of all, the public revolts in Bahrain, a resource-rich traditional-authoritarian regime under Category A; secondly the civil war in Libya<sup>6</sup>, a resource-rich bureaucratic-authoritarian regime under Category B regarding to the extreme stability in its political history.

Countries under Category D are resource-poor rentier economies as most of their revenues are generated from indirect rent income in other words rent equivalents such as military and development aid money with financial aid from International Financial Institutions<sup>7</sup>. The historical dynamics of resource-poor rentier states are especially important as these countries are relatively more vulnerable and dependent on rent revenues. While more than half of the government's revenues in Saudi Arabia, Bahrain, the United Arab Emirates, Oman, Kuwait, Qatar, and Libya come from the sale of oil, the governments of resource-poor countries such as Jordan, Syria, and Egypt earn large locational rents from payments for pipeline crossings, transit fees, and passage through the Suez Canal. Moreover, workers' remittances have been an important source of foreign exchange in Egypt, Yemen, Syria, Lebanon, Tunisia, Algeria, and Morocco, although these rents go to private actors instead of the state<sup>8</sup>.

Economic dependence on locational rents and foreign exchange renders the political economy of these countries fragile since there is a big reliance on the global financial market; therefore, global resource politics.

## Background

When we are talking about possibilities for economic development and the rentier forms of economy in the MENA countries we should also consider the contemporary history of the politics driven by their economies. Schlumberger states that Korany (1986);

speaks of a regional system of 'petrolism' in MENA from ca. 1973/1974 onwards which is characterized not only by high levels of rent income for the major oil-exporting countries, but also by an intra-regional transfer of oil revenues to resource-poor economies, in exchange of labor export to the less densely populated oil-rich countries, mainly on the Gulf peninsula.<sup>9</sup>

The legitimacy-lacking governments of the region could gain some public credibility as the economies boosted. However, oil-prices peaked in real terms in 1981 and steadily fell until the end of 1990s, they never again reached the levels they gained during the 1970s (Schlumberger, 2005). As oil and gas revenues of the oil-rich

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<sup>6</sup>The situation in Libya will be discussed in depth in the following sections of the paper with a close look at the dynamics of rentier economy and the role of external actors in the current civil war.

<sup>7</sup> Schlumberger, 2005: 17

<sup>8</sup>Ross, 2001: 329

<sup>9</sup>Schlumberger, 2005.

countries diminished, the transfers and the demand for labor, which brought foreign exchange, to the oil-poor countries started to fade away. In addition to the remarkable changes in oil prices which brought the states into fiscal crises, the political wind shift of the 1990s marked by the end of Cold War had negative consequences on the oil-poor economies' rent income widening into financial crises. Due to the geo-strategical importance of the region in the Cold War, states could benefit from the bipolar world order by gaining military and development aid (Luciani G. 1990) from their allies on the two sides of the war. These aids were important sources of rent-equivalent income, especially for the resource-poor states of MENA. The significant dependence of the resource-poor states on the intra-regional transfer of oil income with 'strategic-aid' money coming from super-power allies rendered the already-legitimacy-seeking states weak, in terms of state power.

“Petrolism” of 1970s has allowed oil-rich states of the region a relative economic prosperity that came with tight fiscal policies and almost total dependence on oil revenues. Since dependence driven prosperity resulted in a lack of ability to diversify economies, when the oil prices dwindled by the end of 1980s-90s, transports to resource-poor countries were immediately cut to stabilize the economies of oil-rich ones. Reduced aid money after the Cold War with the cuts of transports from oil-rich neighbors, resource poor countries of MENA found themselves in a financial crisis situation for which the 'cure' came from the West: Structural Adjustment Policies (SAPs) along the lines of Washington Consensus.

SAPs previewed as a cure to financial crisis by the Western Institutions are far from being custom-made ignoring the existing political infrastructures and regime type. Real implication of SAPs poses enormous threats to incumbent, existing authoritarian regimes' absolute political power (Schlumberger, 2006: 3). Therefore, trying to implement SAPs in a regime where the leader and- depending on the regime type, the elites around the leader or close to absolute power-, only encourages the government to become less transparent. Since the leader and the elites around him do not necessarily have to report to some other authority or the public, they have quite some space for political maneuver when it is needed to fit into Western policies<sup>10</sup> compared to democratic regimes. Especially because the SAPs are imposed by the rent provider states, the leaders of the rentier states do anything to show that they are fulfilling what have been asked. The irony is that the more flexible autocrats are to attract rent income, the less they are legitimate to their public; and the less they are legitimate, the stronger repressive policies they apply to keep the public obedient. It is a vicious circle that contains and empowers the autocrats of a rentier state, renders them more stable and gives the public less freedom of expression. Thus, the rent revenues do construct a state class but rather a shadow state (William Reno, 1998; Hartmut Elsenhans , 1981; 1996) who doesn't have enough legitimacy among its population and so needs to adopt repressive policies to stay as a regime.

Western academics have previewed a link between economic liberalization and democratic regimes among the MENA region states. Some have argued that liberal economic orientation would open up to democracy. However, they have missed the political history of these states where dependence on external revenues have empowered the stable autocratic regimes and the possibility to have economic liberalization is not possible in real

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<sup>10</sup>Although we disagree with culturalist approach, which tends to analyze the MENA region, from a narrow angle, as one permanent culture of anti-democratic regimes with strong patriarchal fabric, we take this fact into account to have a clear view on why this has been the case for centuries and how it influences the political economy of today.

terms as it would again be a minority of the elites who would run a competitive market among each other and make sure that the state class remains in its place. Another argument has suggested that an increase in the level of tax revenues would provide legitimacy to the state and, therefore, democratic demands of the public could be taken into account changing the shadow state to a strong state. However, the cases of contemporary Tunisia and Saudi Arabia prior to the period of petrolism raise questions against this suggestion. The data on the level of tax revenues on government revenues gives a percentage of 24,8 % of tax revenues on government revenues for the year 1998 (Schwarz 2004: 23). In Saudi Arabia, in 1949-1950 taxes accounted for 67% of Saudi state revenues (with 37% coming from direct taxes). The fact is that when the autocratic regime type with a significantly high level of repression is given, the level of tax collection doesn't make the state more democratic as the citizens are not given any other chance than doing what is asked for. It is true that level of tax collection indicates a legitimate state, but only when the tax payers do it voluntarily to participate in the state expenditures.

Today, the resource-poor Arab economies are neither adequately perceived as rentier economies, nor as transformed into market economies on an economic systems level. However, they are characterized by the essential lack of key defining elements that guarantee the welfare benefits of market orders such as the openness of markets, including openness for the entry of new competitors, secure contract and property rights, equal access to information, equitable application of laws, institutions that guarantee competition and prevent the emergence of monopolies and cartels and thus the creation of non-market gains (Schlumberger 2006: 4-5). In many cases where large amounts of rent accrue to the state and are distributed as jobs and welfare benefits; ordinary people become highly dependent on the state for their livelihoods, and not being required to pay taxes, they are deterred from mobilization to demand representation. At the same time, the dependence of regimes on external sources of rent, whether petroleum revenues or aid, have attached the interests of elites to external markets and states which also buffered them from accountability to their populations (Anderson, 2001)

Moreover, it can be argued that during almost two golden decades of petrolism and military aid the societal expectations assumed the governments as the primary responsible for the economic well-being of the individuals which have not existed since the end of 1990s (Alnasrawi 1991: 175–7, 184). It is also one of the reasons why Islamism appeared in certain states as a driving force to legitimize the ruling parties, although it got out of control and has put the rulers in an uncomfortable position in the global political environment in the age of “terrorism”, basically the period starting from 9/11 that is still going on.

As Schwarz states, “[t]he large and considerable amount of state revenues accruing to rentier states in the form of external rents gives the state additional resources and serves thus to reduce the state’s need to extract money from its society” (Schwarz 2004: 23). Since the state elites have the control over the flow of rent revenues, taxation is not a reliable tool that we can count on when speaking of citizen participation in state-making. This creates the shadow states with low legitimacy and weak institutions which in turn renders the states dependent on the rent revenues. Therefore, rentierism should be the central factor in analyzing the state formation processes and regime change dynamics in the post-colonial MENA states (Schwarz 2004: 25-26).



### **Imposed Democratization: The Role of Global Resource Politics**

In 1990s, many scholars have identified a move towards democratization in the MENA states (Hinnebusch, 2006). Since then the reversal of democratization experiments has been documented by Kienle, and by Ehteshami and Murphy (Brynen, Korany and Noble, 1995; Salame, 1994; Norton, 1995). Maye Kassem and William Zartman have shown how, paradoxically, party pluralization can reinforce authoritarian rulers. David Pool warned that enforcement of economic liberalization and austerity might require authoritarian power (Kienle, 2001; Ehteshami and Murphy, 1996; Kassem, 1999; Zartman, 1993). As it is discussed previously, the democratization attempts have been imposed to the states of the region with the idea that economic liberalization would eventually lead to systematic regime change. However, just like the imposed economic liberalization attempts have not worked properly in the resource-poor- states of the region, imposed good governance and democratization attempts have not achieved much either.

Today, it is crucial to identify the role of MENA region in the global politics to understand stable autocratic regimes as they are dependent on external revenues and autocratic governments are flexible enough to adjust their internal policies according to the foreign policy goals of the revenue providers.

Hand in hand with the neo-liberal financial 'solutions' imposed, democratization attempts from outside - i.e. rent paying states- have been constructed according to their own foreign policies. For instance, the US has spent hundreds of millions of dollars on democracy and good governance in Egypt over the past decade. On the other hand, an annual expenditure of more than one billion in military aid dwarfs the former sum and raises questions as to the prioritization of different or even contradictory foreign policy goals (Schlumberger & Brunell, 2010:8 ; Bermeo 2009). These goals are based on 'stability' of the region as a bulk of world's energy resource is under the control of autocratic states of MENA. In this regard, 'stability' means the control over oil does not shift to certain groups that could choose different customers than the existing ones. Rentier economic system and authoritarian political regime reinforce each other in the context of MENA region where historically the strongest classes have been powerful landlords and tribal oil sheikhs (Hinnebusch 2006: 379).

External incentives for democratization and social development have previewed systematic political reform to happen against all indicative empirical evidence. As far as democracy promotion strategies are centered according to Western foreign policies -very similar to economic liberalization attempts in line with the Washington Consensus, they are far from bringing a democratic regime to the region. Likelihood of a systematic regime change is close to zero, for the oil-rich rentier economies, as the authoritarian elites have abundant resources and enough repressive infrastructure to suppress any oppositions to it (Schlumberger 2006).

For the resource-poor states of MENA, Schlumberger suggests that; “economic and political reform can only be assumed to significantly alter currently prevailing power structures if they go hand in hand, and if they are based on a sound assessment and knowledge of the specific traits of Middle Eastern political regimes, societies and economies”, and he adds “rational gains-maximizing behavior does not imply successful competition in an open market so much as competition for the establishment of personalist ties (tying in with the surrounding society, where rent-seeking behavior has become endemic)” (2006: 8-9). On the other hand, one should not forget the 'security' issue as a dynamic considering the geo-strategic importance of the region. Being politically dependent on the Western foreign policies, after the attacks of 9/11, Arab leaders of the resource-poor countries,

who are already indebted to the International Monetary Fund (IMF) and the World Bank (WB) with the inflow of aid money from the US, took over the mission to make sure no terrorist movements spring in their boundaries and played the 'stabilizing' role<sup>11</sup> in the region. 9/11 attack has set the stage for a rejection of a long standing realist policy that sought to protect Western geo-strategic interests by abetting autocratic rule.

The assumption behind this policy was that autocracies could secure the domestic and regional stability required for defending a regional balance of power that deterred radical states and non-state actors from destabilizing pro-Western governments. Led by Egypt, Saudi Arabia, Jordan and Pakistan<sup>12</sup>, these regionally pivotal states were to defend a range of overlapping U.S. geo-strategic, military and economic interests. These states were labeled as “moderate” states no matter how well their ruling elites represented their own population. When Western geo-strategic interests are analyzed; they included Arab-Israeli peace (and/or deterring attacks on Israel), protecting the free flow of oil to the Gulf and its export to the West, and facilitating the infrastructure of U.S. military aid, assistance and/or defense in the Middle East and South Asia (Brumberg et. al. 2010:50). Both economic integration into the neo-liberal market and growing domestic legitimacy deficits pressured the states toward ‘omni-balancing’ or bandwagoning (Hinnebusch 2011: 230) with the West.

Moreover, when the role of MENA countries are questioned globally Euro-Mediterranean Partnership Initiative (EMPI), an outcome of the Barcelona Declaration in 1995, as well clearly demonstrates the periphery role given to the MENA countries in Europe's Mediterranean policy. The initiative to build an inter-regional cooperation with the Arab World was taken by the EU, in the second half of 1970s, with energy and security concerns. In the immediate post cold-war period, the EU got officially involved in the regional stability projects in the Arab Mediterranean (Crawford, 2003: 3). At the heart of this EMPI lies the need for economic liberalization (Nonneman, 2001: 157) and containment of political Islam both for security and assurance of energy resource flows to the EU.

On the other hand, from the realistic point of view, Euro-Mediterranean partnership is not possible due to a big imbalance of power between the “core” and the “periphery”, as Crawford (2003) argues. Such efforts are far from applying the leverage effect (Schlumberger and Brunell, 2001; Levitsky and Way, 2005) on economic development and regime change prospects, but they push the periphery states more to the margins getting them dependent on the core states' foreign policies (Joffè 1999). According to Levitsky and Way (2005), the degree of leverage one state has over the other is high if and when three conditions are met:

1)The addressed state is economically and militarily weak and dependent; 2) the ‘levering’ state has no significant other (potentially conflicting) policy goals or interests apart from achieving political change in the addressed country; 3) other regional powers do not play a major role in the political game between the two countries concerned (Burnell and Oliver Schlumberger (2010:6)

<sup>11</sup> As this has been a role of Egypt since 1977, Egypt-Israel Peace treaty where Egypt would be the first arab state to recognize Israeli state in the Middle East and in return receive an annual sum of 1.3 billion USD of military aid from the US. See Sharp (2010) *US Foreign Assistance to the Middle East*

<sup>12</sup> Between 2004-2008, Egypt, Jordan, Pakistan, Bahrain, Tunisia have received significant amounts of US Foreign Military Finances (FMF)



Since the two latter conditions have never existed in the MENA case, any external initiative<sup>13</sup> for economic liberalization and regime change in the region will be an unbalanced barter. Moreover, they will reinforce the existing elites of the regime liable to an undersigned partnership agreement making them less credible to their population increasing the anti-Western feelings among the public.

'Gulf Security' has at its heart the interlinked components of domestic stability and perceived regional threats (Nonneman, 2001: 141). Any kind of social upheaval is not desired by neither the ruling elite of the authoritarian states nor by their "strategic" Western partners. Therefore, the Arab Spring in both oil-rich and oil-poor rentier economies will most probably not be leading to a democratic regime change as long as the geo-strategic importance of the autocratic states remains at the periphery, bound tightly to the liberal economic system and foreign policies of the center.

## War Making and State Keeping: Military Interventions for "Democracy"?

Tillyan (1985) explanation of the close link between war making and state making in European history gives the contemporary scholars an accurate line of events to follow and apply in the global conjuncture. Although, the connection between the two is absent from most state formation processes in the Third World, as Schwarz (2004:4) argues, the role of Western military interventions in forming the state class, most of the times risking a civil war is still significant.

There are numerous examples -not only in the region but in the Third World- of military intervention by the world powers occurred with the argument of "bringing democracy" and demolishing a ruling dictator, where real democracy never came to being but only a new class of state elites. Keeping in mind the support of the very same powers for the authoritarian leaders, when their own policy interests in "stability" were at stake, periodic military interventions in the MENA region to bring down the regime and these raise questions about the particular interests of world powers in democratization of the region. Today, it is Libya, before it was Iraq, and Afghanistan, Iran are on the agenda. When the amount of arms exports to conflict areas by the Western powers are taken into account, the big picture becomes even more complicated. Documentation of Libyan paramilitaries with FN Herstal- one of the biggest light arms company in Europe- machine guns (Lesoir, 2011), at the time of NATO intervention in Libya to bring down Gaddafi, raised even more questions on the Western incentives for the regime type in the region.

Economic historian Frederic Lane argued that "governments are in the business of selling protection ... whether people want it or not" (Tilly, 1985: 175). Lane argued that the very activity of producing and controlling

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<sup>13</sup>Examples of other such initiatives taken by the US are: USAID, Middle East Partnership Initiative (2002), Freedom Agenda (2003)

violence favored monopoly, because competition within that realm generally raised costs, instead of lowering them. The production of violence, he suggested, enjoyed large economies of scale. Therefore, one can argue that the only way to demand democracy and human rights for overwhelmingly suppressed populations of dictatorships is public upheavals which would destabilize the region. However, repressive dictators in oil-rich -relatively- small rentiers have enough military infrastructures to suppress the possible uprisings against the regime given the arms exports and rentier revenues. At this moment, it is important to realize the likeliness of instability and civil war in a rentier state with illegitimate ruling elites, and the role of intervening actors -who are more or less sure of having stronger military infrastructure than the intervened- to further destabilize the situation to achieve stability in the end. Stability, for the external actors, means a state infrastructure -ideally a shadow state to be flexible enough- that is able to conform to the foreign policy interests of the intervening actors.

Collier and Anke Hoeffler (1998) found that resource rents had a parabolic effect on civil war onset and intensity: increasing reliance on resource rent increases the likelihood of civil war up to a point, after which that likelihood drops off again. James Fearon (2003, 2005) demonstrated that of resource-reliant states, only oil-reliant states are more prone to civil war (Lotz 2008: 109). Oil-reliant states in MENA are the ones tightly interdependent with the core states being strong energy providers, not only maintaining the control over world's major resource of energy but potentially have significant impact on financial markets. States that have come into being through decolonization or through reallocations of territory by dominant states have acquired their military organization from outside. To the extent that outside states continue to supply military goods and expertise in return for commodities, military alliance or both, the new states harbor powerful, unconstrained organizations that easily overshadow all other organizations within their territories (Tilly 1985: 186). Civil wars are not difficult to be previewed in the formerly colonized, oil-rich states of the region and military interventions are used to create a form of state that would ensure compliance in the interests of the core, continuing the exchange of commodities with revenues and military infrastructure.

Given the fact that regime change from top to bottom is not possible in rentier states of the MENA, one might ask whether democratic movements can succeed in any way. Any democratic movement to come out in an authoritarian regime would create a political and economic instability. Alesina and Perotti (1996), Hibbs (1973), and Blomberg (1996) have established that political instability is negatively correlated with economic growth, where the relationship between democracy and growth is more uncertain. Minier (2003:125) explains three types of political instability that democratic movements involve:

First, [...] by its nature indicates instability: a sizable part of the population wants to change the form of government. Widespread strikes, protests, demonstrations, and even riots often accompany democratic movements. Second, many interpretations of political instability address actions taken by the government against its citizens. When a democratic movement is repressed, governments often take actions, such as imposing martial law, curtailing freedoms of assembly and the press, or, in extreme cases, taking military action against demonstrators. The third type of political instability is associated with the transition between regime types if the movement is successful.

Alesina and Perotti (1994, 359), in a summary of related literature, conclude that “transitions from dictatorship to democracy, being associated with political instability, should typically be periods of low growth.”

Partly, they argue, this is due to social demands that have been repressed suddenly surfacing; additionally, collapsing dictatorships are likely to leave behind economic problems.

Revisiting the first section of this article, Schlumberger's classification of rentier states in MENA, the Arab Spring is not very likely to change the regime types in the states of Categories A<sup>14</sup> and B<sup>15</sup>. In Bahrain, a Category A state, such a political instability would not be allowed to happen as it is the home port of the US Fifth Fleet, neighboring Saudi Arabia. Libya, a Category B state with Iraq, seems to go through a similar kind of regime change process with Iraq (2003) which has already turned into a war to stabilize the instability to have a partner state to global interests. In Egypt, a Category D state, the popular uprisings succeeded to overthrow the authoritarian leader Omar Mubaraq. However, the strategic importance of Egypt with its established role in the Western foreign policies and its debts to IMF and the WB is difficult to overcome with a new leader keeping these dynamics the same. Syria, another Category D state, is currently going through bloodshed to suppress the popular uprisings for regime change. First of all, the existing large bourgeois class created by and on the side of the state in Syria is far from supporting a political opening for regime change. Secondly, Syria has been the closest ally of contemporary Islamic Republic of Iran, and Iranian administration would not allow the Syrian state to be overthrown neither by a popular uprising nor by Western military intervention (Hinnebusch).

## Conclusion

First of all, we have explained that the geo-strategical importance of the MENA rentier states which own most of the world's oil resources and ruled with autocratic tradition pushes the states of the region to the periphery providing resources and military alliance, both in some cases, for the core. Secondly, imposed economic liberalization attempts in line with neo-liberal policies and democratization attempts conforming to core states' foreign policies have not/cannot lead to a regime change neither in the resource-rich, nor resource-poor states is elaborated. Then, we have indicated that oil-rich states are economically dependent on oil revenues coming from abroad and the oil-poor ones even more vulnerable, being dependent on military and development aid of IMF and the WB credits. That the economic liberalization does not necessarily bring economic development and political openings for regime change in MENA as ruling elites are not willing to go for a shift towards democracy is also elaborated in detail. However, being economically dependent on the core, renders these states politically dependent as well which fits into the core's interests in the region.

When the Arab Spring of 2011; a series of revolutions, uprisings and strikes, with vacillated demands between 'constitutional monarchy' and 'overthrow of the current regime', and mostly aiming at changing or diminishing the present nature of the governments and demanding democracy, with a few social and economic concerns; is under discussion, it is true that thousands of people have participated in the demonstrations and attracted the worldwide attention to the MENA region (Khair 2011: 113-114). Moreover, it would be erroneous to overgeneralize these events as 'revolution' as most of them only lead to a cosmetic change restricted to their

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<sup>14</sup> Resource-rich, traditional-authoritarian regimes

<sup>15</sup> Resource-rich, bureaucratic-authoritarian regimes

existing ruling regime. Khair (Khair 2011: 117) divides them as ‘popular revolutions’ as in the case of Egypt and Tunisia and ‘popular uprisings’ for those in Yemen and Libya; as most of the classes of society have participated in the events.

Hence, bottom-top democratization attempts, Arab Spring of 2011 that will leave a historical mark whatever the outcomes will be, are less likely to succeed in oil-rich authoritarian rentiers as they would create an immense instability that neither the core nor the periphery would like, once they succeed. Thus, they rather turn into civil wars with the military intervention of the core (in the Libyan case) or their neighbors (possible outcome for the Bahraini case) to find the stability again in order to conform to stability interests of the core. For the oil-poor states, Arab Spring can succeed in the beginning (cases of Egypt and Tunisia) with democratic intentions. These movements mostly initiated by weak unorganized civil societies and these movements occurred mostly in the countries which might be labeled as ‘strong states’ and weak societies’ (Migdal, 1988). It would be wrong to make overgeneralizations and to treat Arab uprisings as a single movement as the patterns and demographics of the movements varied widely, but it is certain that in all, the countries’ future missions will also be very challenging, it would not be easy for these countries to build an organized new system in their countries (Dupond 2011: 447-451). Their already established vulnerable position with fiscal deficit and 'moderate' partners of the core might leave them weak to establish new-democratic regimes. So, there are still obstacles and challenges lying ahead of these countries to tackle and time will show their ability to persevere against the inner and outside forces and conflicts, yet it still seems very unlikely for these movements to fulfill their objectives.

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