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Post-Political transitions in Arab Spring Countries: the Challenges

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Abstract

This paper aims at examining the impact of political transitions on democracy, corruption and growth in countries which knew democratic changes. The results of our study indicate that these changes positively affect implementation of democratic principles, the struggle against corruption and economic growth. We examined also the case of the Arab spring countries focusing on the main political and socio-economic challenges and most importantly the religious challenge which is a characteristic of these countries. Indeed, religion may be considered as a relevant variable in these transitions and consequently it is very difficult to claim short-term or long-term triumph of these transitions as Arabs are now in a political boiling phase where religion may gather unexpected results.

Key words: democracy, corruption, economic growth, political transition, social movement, religion.

JEL Classification : O43, O57, Z12

Introduction

The events which led to out-throwing regimes in Arab Spring countries, mainly in Tunisia, Egypt, Libya and Yemen represent the end of a totalitarian governance model in the Arab world (Daguzan, 2011). This model globally suited western powers which they see as a shield against radical Islamism. Within these countries, authority was fortified by an international support and by a social pact which insured economic growth, employment and emergence of middle class. After the 9/11 attacks, US policy geared towards encouraging Arab regimes by reinforcing their repressive systems against individual freedom. Additionally, the Arab world missed the euphoric growth period of the 1970-1980s which saw the taking off of Asia and Latin American countries. Economic liberalisation initiated within the structural adjustment program failed to generate benefits to Arab population and the bad politico-economic choices allowed only for adjustment policies.

The economic crisis which hit the world in 2007 greatly affected emerging countries' economies (Trabelsi, 2011). Mediterranean countries whose economies are strongly linked to the European Union could not help themselves from being greatly affected by this crisis. The increasing economic problems and regional disparities are the main reasons responsible for deteriorating the social conditions and encouraged population to take it to the streets to protest against their governments revealing thus the political fragility of all these countries. The era of the Arab democratic transition has started. It is a transition that aims at preserving and promoting dignity and the fundamental rights of the people, insuring social justice, favouring collective economic and social development, reinforcing social cohesion as well as national peace and creating a convenient environment for international peace.

This paper will be structured as follows: the first section will be devoted to democratic transitions in the world. The second section evaluates the impact of the transition on democracy, corruption and economic growth and this by examining countries which knew political changes. The third section focuses on transition in the Arab Spring countries. The main challenges will be examined in the fourth section. Finally, the fifth section will be devoted to conclusions and recommendations.

1. Democratic transitions in the world

Democratic transition is a political process known by a progressive movement from a governance system to another capable of achieving the main democratic principles.

Differently put, such a change largely exceeds formality and involves radical changes of the social, cultural and economic spheres.

Democratic index is an index created in 2006 by the Economist group which evaluates democracy level on a scale between 0 and 10. thus, we distinguish authoritarian regimes with an index inferior to 4, hybrid regimes with an index between 4 and 6, regimes with imperfect democracy with an index between 6 and 8 and finally democratic countries with an index superior to 8. Table 1 shows average democracy index by region in 2010 and 2011. The table indicates that Arab countries of the Middle East and North Africa, currently in transitions, are the most authoritarian countries with an average democracy index varying between 3.43 and 3.62.

Nevertheless, this index inconveniently does not cover the period before 2006. Indeed, the major Latin American or Eastern European transitions are not covered by this index. This is why we will retain in our study another index which is a synthetic democracy indicator (polity2) published since 1974 and which measures competitiveness and openness in recruiting executives, executive control, regulation of and competition in political life. This index varies between (-10) for highly authoritarian countries and 10 for highly democratic countries.

	2010	2011
North America	8.63	8.59
Western Europe	8.45	8.40
Latin America	6.37	6.35
Asia	5.53	5.51
Oriental and Central Europe	5.55	5.50
Sub-Saharan Africa	4.23	4.32
Middle East and North Africa	3.43	3.62

Table 1: Average Democracy Index

The second parameter to be considered in this study is the Corruption Perception Index (CPI). Since 1995, each year Transparency International has been publishing this index to classify countries in terms of perceived corruption in a country. Transparency International retains uniquely corruption in the public sector. It defines corruption as the “abuse of a public post for personal wealth”. CPI is a composite index, aggregating surveys and rating agencies data. A score of 10 indicates absence of corruption and a 0 indicates systematic corruption.

1.1. The Latin American case

Most Latin American countries have known authoritarian and tyrannical regimes and during the 20th century, either patriarchal or military. Democratic transitions initiated in the 1980s by these regions have often been cited as successful, mainly in terms of democratic culture. Political transitions of these countries succeeded to durably implement the true meaning of citizenship by installing basics of a strong political involvement characterized by openness of the political sphere. Finally, installing democracy has allowed for largely involving the population in political life.

1.2. The Eastern European case

In eastern and Oriental Europe, the long transition process which followed the collapse of the Berlin wall in 1989 saw many countries move not only from a political system to another but also from a political culture to another. This transition triggered as well a new redistribution of authority and geopolitical influences.

1.3. The African case

African countries experience of democratic transitions is as well a focus of attention because institutionalization of multi-party systems in political life contributed to creating a new

dynamics. Wind of democratization of this continent has opened up a new era of political liberalization scoring the collapse of some authoritarian regimes, of which those founded on racial discrimination. Abolishing apartheid was one of the main measures taken during this period.

2. An empirical analysis of the effect of transition on democracy, corruption and growth

The aim of this study is to analyse the effect of political transitions in the world on democracy, corruption and growth. To this end, we selected a sample of countries which knew transitions across the world. We studied the effect on a first group formed by Asian countries. A second group is formed by Latin American countries. A third group is formed by Eastern European countries and a last group formed by African countries. We also studied this effect by comparing all countries independently from their geographical location.

The sample takes into account the first 5-year period before the transition and the 5-year period after the transition. For each period, we computed the average rate of the three retained variables: democracy, corruption and growth. This average is noted by μ_1 for the first period and by μ_2 for the second group. In order to test significance of the results, we used a mean equality test.

2.1. The effect of transition on democracy

Table 2 indicates a significant difference of the average democracy index which moved from (-2.36) to 7 for Asian countries, from (-3.45) to 7.36 for Latin America, from (-4.3) to 7.43 for Eastern Europe and from (-3.52) to 6.29 for African countries. For all countries, this index moved from (-3.45) to 7 indicating thus that a change from a authoritarian political system to a democratic system has been well taken by the populations and represented a successful implementation of new democratic cultures, allowing for a larger inclusion of populations in political life and ending authoritarian regimes.

Group	μ_1	μ_2	$\mu_1 - \mu_2$	t-student
Asia	-2.36	7	-9.36	-15.550
Latin America	-3.451	7.365	-10.816	-20.846
Eastern Europe	-4.3	7.438	-11.738	-18.316
Africa	-3.52	6.292	-9.812	-16.993
All countries	-3.457	7.004	-10.461	-35.524

Table 2: Democracy Index

2.2. The effect of transition on corruption

Table 3 reports a significant difference of average corruption index for only Latin American countries which moved from 0.27 to 0.4 and generally for all countries where the index moved from 0.41 to 0.46. This is predictable as authoritarian regimes are known by significant corruption and which lasts after political transitions. Indeed, change of judicial, customs, administrative and other institutions known by strong corruption proceeded slowly. This is why the first years after a transition see level of corruption often higher than the period preceding the transition as shown in Table 3. Corruption index remained stable for Asian, Eastern Europe and African countries contrary to Latin American countries as indicated above and which may be explained by domination of military authoritarian and tyrannical regimes.

Group	μ_1	μ_2	$\mu_1 - \mu_2$	t-student
Asia	0.456	0.486	-0.030	-0.563
Latin America	0.269	0.405	-0.136	-4.144
Eastern Europe	0.551	0.594	-0.043	-1.071
Africa	0.395	0.396	-0.001	-0.039
All countries	0.414	0.461	-0.047	-2.334

Table 3 : Corruption Index

2.3. The effect of transition on growth

Table 4 indicates a significant difference in average growth index for all countries. This index moved from 3.86 to 4.02. For African countries, it moved from 3.31 to 4.67 and for Latin American countries where it moved from 3.23 to 3.36.

Nevertheless, it slightly decreased from 5.09 to 4.63 for Asian countries despite non significance of the results contrary to eastern European countries where it decreased by 1%. This may be explained by a radical political change from a pro-soviet socialist regime to a capitalist regime close to those of Western European countries.

Group	μ_1	μ_2	$\mu_1 - \mu_2$	t-student
Asia	5.091	4.636	0.455	1.634
Latin America	3.228	3.365	-0.137	-2.793
Eastern Europe	4.661	3.678	0.983	1.703
Africa	3.312	4.675	-1.363	-2.555
All countries	3.863	4.02	-0.157	-2.600

Table 4: Growth Index

3. Transitions in the Arab Spring countries

The year 2011 has seen a political change that may affect societies of the Arab world. Uprisings of Arab populations spread from Tunisia towards Egypt then towards Libya, Yemen and now Syria in a different context. These revolutions provoked a movement calling for freedom and fight against corruption in the entire region. History of democracy then is found enriched with a new wave which is devoted to people's aspirations for taking in their hands their own destiny. The new perspectives triggered by the current changes obviously register unique characteristics.

The recent events marked a historical turn for democracy, not only through the substantial changes that bear on political apparatus, but also through the same process that led to this state of affairs. In particular, the new important and fundamental role that the youth played as the genuine protagonist of the change, the role of new technologies of communication and information as well as the particular role played by women in Tunisia.

3.1. The role of women and youth in the Arab world

The issue of women is central to the Arab world. It is through them that growth and equality will genuinely come about. The full and entire participation of women in political life in these transitions will be crucial to establish a true moral and institutional democracy. All actions in favour of men-women equality should be fully supported by both national authorities and regional and international actors.

In 2002, the Arab report on human development (UNESCO, 2011) classified lack of women empowerment among the three main obstacles hindering Arab countries from regaining the top of international ratings of exchange, education and culture.

Nowadays, Arab women should be the chance to prosper. Full and entire emancipation and participation of women as citizens will represent a powerful factor for all Arab countries and will allow them to be more prosperous, influential and committed to a more accomplished human development.

It is also important to mention the judicial privileges which make Tunisian women a true exception in the Arab world. This exception is seen in an advanced Personal Status Code, put into effect since 1956 and which established men-women equality. This status abolished polygamy, legalised divorce and abortion, prohibited repudiation and forced marriages. It is in the same line of thinking that the decision taken by the last high commission of elections in Tunisia (23/10/2011) to enforce parity between male and female candidates on electoral lists of political parties.

Youths are incontestably one of the main protagonists of the socio-political changes that took place in the Arab world. Youth aspirations for more freedom and social justice are indeed the accelerating factor of these historical changes. It will be extremely important not to deceive such fervour. Additionally, the issue of youth should be positioned within an inter-generations dimension. If it is crucial to take measures in favour of youth, a mature dialogue between generations should be undertaken in order to avoid gaps that may feed on the social troubles within society at large.

Nevertheless, the post-elections Islamists' violence, physical aggressions and threats inflicted on women, artists, human rights militants and democrats is growing leaving speculations about the return on their promises leading them to power. Whether in Tunisia, Egypt, Libya or Morocco, aggressions on freedom, women's rights, art, culture and media became daily food.

3.2. Arab Spring countries and religion: a born dead democracy

Combining religion and politics is the subject of many debates and discussions which forces us to raise the issue of religion and democracy. In a world in full mutations, religion is sometimes needed to remedy political deficiencies, mainly when facing persistent social and economic inequalities. Religion, believed to be a synonym of justice and solidarity, may offer other social or spiritual dynamics. From the view point of social transformation studies, observing religion and its links with the political sphere is a privileged indicator of a population's political imagination and cultural evolution. This assumption is more prevailing in the Arab world where the religion-politics axiom is the subject of numerous public debates, in all political, academic and geostrategic terms.

We can remind ourselves that a democratic state, whether neutral secular or religious, looks for protecting freedom of thinking, law enforcement and religious pluralism, by allowing them to find a balanced place in society.

However, unfortunately in Egypt and Tunisia today we witness lawsuits against journalists, foreclosing TV channels and Egyptian salafists pressing for destructing UNESCO-classified historic monuments like the pyramids. Even Morocco did not escape such a religious-political intolerant offensive. Consequently, some foreign magazines are forbidden. In Libya, the Chariaa is made effective authorising polygamy. The worst to fear in a country where the state has problems taming tribal-islamists armed groups who enforce their own laws in their regions. The assassination of the American ambassador in Libya and the looting of the American Embassy and School in Tunisia show a tendency towards establishing religious authoritarianism like the one in Iran, which would mark the failure of these revolutions to install democracy.

3.3. International community and democratic transitions in the Arab spring countries

The international community rallied to frame democratic processes and this is done mainly economically and financially in view of helping these countries deal with their economic difficulties.

The G8 summit of June 2011 launched "Deauville Partnership" through which the G8 countries committed themselves to help the Arab countries witnessing transitions towards free and democratic societies. Tunisia and Egypt are the first countries engaged in this transition and joined Deauville Partnership. Multilateral development banks are ready to devote more than 20 bn of which 3.5 bn Euros coming from European Investment Banks (EIB) in favour of Tunisia and Egypt till 2013 (Daguzan, 2011).

In Tunisia, the riots already cost the economy 3 bn dinars (DAB, 2012) (1.6 bn Euros), amounting to 4% of GDP. Tourism which represents 6.5% of the GDP and employs approximately 400.000 people has been greatly affected and their revenue has decreased by 37% in 2011. The Libyan crisis has been estimated to have reduced Tunisian growth by 36% (DAB, 2012). Moreover, Moody's has lowered the rating of local and foreign currency

deposits of five Tunisian banks (Moody's, 2011). Revising ratings reflects concerns about the potential impact of the social and political uprisings on the economy. Budget deficit is 5% of the GDP in 2010 and reached 6.5% in 2011 and after lowering the rating of Tunisia by two rates in May 2012, Standard and Poor's announced that the budget deficit of Tunisia may reach 7% of the GDP by the end of 2012. Economic growth decreased from 3.5% in 2010 to 0 in 2011 and inflation reached 5.7% in September 2012. Decrease in tourism revenues and deterioration of economic balance brought about a giant deficit of current account of 14.2% in 2011 against a deficit of 2.4% in 2010. We should note as well that European crisis and debt may compromise tourism and exports which represent the two first currency resources of Tunisia.

In Egypt, losses on tourism exceeded 1 bn dollars in 2011. By the end of January 2011, Egyptian shares lost 20% of their value whereas Moody's lowered the ratings of five Egyptian banks (Moody's, 2011) and Standard and Poor's lowered its ratings of the Egyptian debt. Economic growth decreased from 5.1% in 2010 to 1.2% in 2011 and inflation reached 11.1% in 2010 and 13.3% in 2011. Budget deficit was 8% in 2010 and 12% in 2011.

Finally, and according to IMF statistics in 2011 unemployment among youth is 30% in Tunisia and 25% in Egypt. These worrying figures indicate fragility of the current situation.

4. The main challenges

All these experiences, each in its own way, indicate that any transition period inspires much hope and many promises at the same time it brings about concerns and worries. Indeed, the aim of these transitions is to answer to people's democratic aspirations and the new political, social, cultural and educational stakes resulting from current and future social changes. This would result in improving economic growth and in reducing corruption. However, after two years of transition, the figures are deceiving as Table 5 shows.

	Democracy		Corruption		Growth	
	2010	2011	2010	2011	2010	2011
Tunisia	-4	0	4.3	3.8	3.1	0
Egypt	-3	-2	3.1	2.9	5.1	1.2
Libya	-7	0	2.2	2	3.7	4.6
Yémen	-2	-2	2.2	2.1	8	-2.5

Table 5: Democracy, corruption and Growth Index

Table 5 indicates that Arab Spring countries find it difficult to install democracy counting from January 14th 2011 (Tunisian revolution), despite observable freedom of speech which effectively found its way in these transitions. Moreover, we notice that corruption persists and has even intensified as noted by IPC and approximates zero (systematic corruption), showing thus that the elected governments are still incapable of protecting their citizens from corruption, whether public money embezzlements, racketeering or opaque decision-making processes. This shows that these revolutionaries have indeed taken power, yet they are incapable of changing a chaotic and an unhealthy situation.

Finally, the economic situation has worsened in these countries. Between 2010 and 2011, we recorded a decrease in growth of 3.1% in Tunisia, 3.9 in Egypt and 10.5 in Yemen. Libya has been saved thanks to its oil production industry. In fact, growth index has improved by 0.9%.

We should note that the transitions in the Arab world took place in a zone marked by conflicts. This can add to the specificity of these transitions. We cannot ignore the Israel-Plastinian conflict which would weight, in a way or another, on the future of these transitions, added to the energetic or strategic challenges of the Middle East. The second specificity is that these transitions have been manipulated by the religion factor which could have negative

effects on installing democracy. Consequently, these countries should face some political and economic challenges.

- A successful transition is a transition in which solidarity should triumph. There should be a transition where solidarity and human development are taken into account. It is then necessary to increase investments and promote public services in the less serviced regions in order to bridge the social gap. In Tunisia and according to African Development Bank [1], this increase may moderate the impact of regional disparities resulting from concentrating economic activities in the coastal regions and create more opportunities in the poor areas.

- Transparency should be improved at the level of information and public data in order to recover trust in the system.

- The education system should be improved so that competencies are well adapted to job market needs and mainly the private sector which is the only sector capable of absorbing flow of the new graduates.

- A democratic transition cannot succeed without developing and innovating the economy. R&D investments should be increased by involving the private sector in order to face increasing competition of Asian countries and also to attract foreign investors. Eastern European countries have succeeded in attracting investments and developing their industries thanks to their R&D dynamics.

- It is essential to reconstruct law enforcement institutions and the state to succeed a political transition.

- Arab countries have often lived with an arbitrary justice system submitted to political authority and the time has come to establish an independent justice system. Many transitions still fighting for an independent justice system, because this latter is fundamental and represents citizenship and citizens' rights.

- Finally, corruption should be fought. All agree that deep down corruption is the factor that undermine institutions, especially when these latter do not abide by the law. According to the last ADB report on Tunisia (2012), 86% of Tunisians find corruption a serious socioeconomic plague. In the same context, a recent study on competitiveness in 2012, conducted by the Institute of Competitiveness and Quantitative Studies during the period stretching from 23rd June to the 24th August 2012 over a sample of 1050 private companies across the Tunisia territory, indicated that perception of the business environment is marked by corruption (34%) and insecurity (41%), which both represent the two main constraints to developing the company's performance. Additionally, the study indicated that 50% of the companies did not invest because of political, economic and social instability which reigns over the country. Moreover, 6.3% of the companies were forced to disrupt their activities during the first semester because of insecurity.

5. Conclusion

In Tunisia, the uprising started by a spontaneous social protest movement against unemployment and social injustice in the interior regions of the country. Nevertheless, the factors which helped trigger the revolution still persist after almost two years of the revolution. The revolution has revealed the presence of important social and development-related factors and after the 23rd October 2011 election, the population is still waiting for a change in their living conditions. However, unfortunately the debate on the new constitution has geared politicians towards debating religion, a debate which divided the population instead of uniting them to face the different political and economic challenges.

Promoting citizenship is founded on the principle of distinguishing between the civil, the civic and the religious. This issue does not only involve religion as such, but the ability to construct a state whose foundations are able to guarantee religious diversity, without making of religion the corner stone on which the state is founded.

This distinction leads us to insist on two fundamental elements to be avoided. First, social protest should not endorse religious overtones. Second, religion should not be exploited as an authority regulatory mechanism between communities. The biggest challenge for Arab countries is balancing between politics and religion. If Arab countries overcome this issue, political transition cannot be but beneficial for installing democracy, fighting corruption and improving economic growth in the short-term as shown by the case of all countries that underwent democratic transitions and which lacked the religion variable that characterizes Arab countries. To overcome the challenge, the role of women turns out to be very important. Women's power could be the best solution against religious authoritarian regimes.

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