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## Economic Development and Democratisation in the Middle East

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ANON, MAR 23 2010

### **'Discuss and Evaluate the Relationship Between Economic Development and Democratisation in the Middle East'**

#### **Introduction**

*"If the dream of the open, borderless 'small planet' was the ticket to profits in the nineties, the nightmare of the menacing, fortified Western continents, under siege from Jihadists and illegal immigrants, plays the same role in the new millennium"[1]*

Economic development within the Middle East has undermined democratization consistently throughout the 20<sup>th</sup> century and, with the invasion of Iraq in 2003 alongside the (permanent) occupation of Afghanistan, hopes that the two can go hand in hand seem increasingly unlikely.[2] The discussion herein will tend toward the understanding of *incompatibility* between the purpose and mode of Middle Eastern economic development to date and the fraught efforts towards forms of democracy across the region. The ultimate evaluation will put forth the view that the importance of certain economic developments to specific actors has successfully outweighed the importance of democracy in the region, and will persist in doing so for the foreseeable future. From 'white mans burden' to 'War On Terror', from empire to Friedmanite neo-liberalism, from the Cold War and Orientalism to the 'Washington Consensus' and marriage of neo-Orientalism and neo-conservatism, and from one massacre in the Occupied Territories to the next, this essay will observe the relationship between economic development and democratization in the Arab world – that Middle Eastern democracy simply has never been conducive to the economic, geopolitical and ideological needs of the militarily and politically superior West. Democracy tends toward Keynesian methods of developmentalism[3] (at least in populaces not thoroughly saturated in mass-mediated distractions of fashionable consumption and trivia that massage the continuous impoverishment of the working classes), which, with its bottom-up approach, is a threat to the globalised superclass[4] whom profit primarily from war, disaster, famine, terror and illusory 'free markets' – essential means to ruthless economic exploitation that ensure the impossibility of real democracy. This essay will argue that 'terrorists' have filled the political-existential void once maintained by 'communists', and, in union with the fundamentalist arguments of Fukuyama's *End Of History* doctrine, have been used on a bewildered post 9/11 public to justify a new era of imperial mobilisation, militarisation and resource and 'security' conflicts most acutely felt in the Middle East and by Middle Easterners, eschewing the hopes of democratizers both East and West.

*"The only prospect that threatens the booming disaster economy on which so much wealth depends – from weapons to oil to engineering to surveillance to patented drugs – is the possibility of achieving some measure of climatic stability and geopolitical peace."[5]*

#### **Rogue Superpower?**

The relationship between developed economic sectors of Middle Eastern countries to their governing elite is usually totalistic. The government and industry of value is one. There are rarely labour unions or workers rights to demand

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fairer distribution of wealth. The most valuable resources of society are secured by the state and nationalised into the collaborative hands of the politicians/business/landed elite, or privatised by multi-national corporations (MNCs)[6] which will aggrandize and entrench that same ruling class to preserve their favour, whilst transferring the profit back to the 'core'. [7] This set up, whilst incredibly debilitating and exclusionary for the average Arab, sustains the voracious economies of North America and Western Europe and the moneyed classes therein. This structure, whereby less than a quarter of the earth's population consume three quarters of its resources, [8] has caused a great deal of animosity towards the chief architects of foreign policy in the core and provoked a series of revolts from liberation theology in South America, to global Marxism, socialism, and anarchism, to pan-Arabism, and eventually tribal and utopian Islamism. Each has attempted to erect its own counter-hegemony against the forces of global capitalism seated in Washington and London. 50 years ago President Eisenhower asked the National Security Council the same question Americans asked as the WTC towers fell, "Why do they hate us?", in reference to Arabs generally. The NSC came back with the obvious answer, and it remains true today: "the US supports corrupt and oppressive governments and is opposing political and (real) economic progress because of its interests in controlling the resources of the region." [9] From al-Gaddafi to Saddam Hussein, from the Shah Pahlavi to the Mujahedeen, from Mubarak to Musharraf, from Begin to Sharon, to the House of Saud; each of these has or does receive training, funding, and diplomatic support from the lone superpower often to the severe detriment of their own people (arguably excluding Israelis). [10] The economically viable strongman repressing social justice is the preferred model for the Middle East; one's brains do not require wracking to recall the CIA/MI6 coup and overthrow of Mossadegh in '52', or the weapons trading with Saddam Hussein *after* the gassing of the Halabja Kurds in '88', or the 'legalised' ethnic cleansing of the West Bank. [11] One may feel safe in assuming that the economic imperatives of the greatest state power in history dominate its interactions with the world, especially with those nations atop its life's-blood.

## Oil & Currency.

Oil accounts for 10% of world trade. [12] The privileged position of the dollar as the international currency of reserve is what allows America to live beyond its means, which, from March 09, is some \$11 trillion in the red. [13] US power is intimately linked to its dominance of global oil supply and that supply being priced in dollars. The now infamous Project for a New American Century (PNAC, some have argued, is the guiding philosophical manual behind the Bush administration) – a think tank that comprised the most ultra-right elements of the Heritage Foundation, the Cato Institute, AIPAC, the American Enterprise Institute and others – unambiguously addressed the oil situation: Middle East oil producers would have to double their output by 2020 with infrastructure projects and production accorded primarily to US oil companies and remain pegged to the US dollar, and any threats or challenges to this arrangement to be met with the permanently based US military. [14] The PNAC crusade hasn't boded well for Middle East democratization to say the very least. The "structurally derived power that US primacy in oil rich regions affords the American state vis-à-vis other core powers" is what Doug Stokes calls "the *duality* of American foreign policy". Stokes continues, "post-war US national interest became articulated around a dual strategy: the maintenance and defence of an economically liberal international system conducive for capital penetration and circulation coupled with a concomitant global geo-strategy of containing social forces considered inimical to capitalist social relations." [15] Guaranteeing security of supply to world markets in this context is not mere imperialism as it provides for the generic interests of global capitalism as a whole, America being the central beneficiary with Europe and Japan the lavished dependencies. Serving transnational interests thus serves its own interests. PNAC sought to permanently establish this order using predominantly military might, not using ideas such as freedom and democracy. By performing the 'cop on the beat' role in the Middle East, either directly or through its proxies, the US can contain and repress democratic, nationalist, and Islamist social forces that would interrupt these generic Western interests. [16] The grinding logical result of this structure is that US national interest is in direct conflict with major social and political change in the global south. During the Cold War this wasn't a problem as all opposition to capitalist-democracy was 'diseased with communism'. Today, to mask the ongoing ultra-capitalist (corporatist) domination of global markets, all opposition is 'diseased with Islamist terrorism' and no region more so than the Middle East. Counter-terrorism and counter-insurgency are the new Roll-back and Containment. CIA assistance in 'counter-terrorism' – insulating oil rich states from internal pressures – from Columbia to Nigeria to Iraq is "having a profound effect on human rights, social justice and state formation in the global south." [17] Using 'counter-terrorism' to secure economic exploitation in today's Middle East, just like using the 'Soviet puppet' threat to support military dictatorships in Cold War South America or South East Asia, is in fact part of the Chicago School plague of corporatism and is profoundly anti-

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democratic.[18] James Putzel has argued that this very corporatism that has grown so fat from the international dollar and cheap oil has now provoked the biggest threat to the US capitalist system – the loss of faith in the international reserve currency.[19] Over half a trillion annually on ‘defence’ spending, up to three trillion squandered in Iraq,[20] uncounted trillions in banker-bailouts – this spending has caused major angst (not to mention the biggest market collapse in recent history) amongst holders of US bonds, so much so that several state leaders have called for a transition into a “basket of currencies” fearing the US is bankrupt.[21] Since economic development has spoiled democratization under the international-corporate order of uni-polarity, will Middle East democracy fair any better in a multi-polar world? Putzel thinks so. Since US spending is afforded by the international dollar Putzel believes its failure will derail what amounts to a declaration of empire by the US, starting in Iraq and preparing for Iran, and will end the era of unilateralism and ‘preventive’ war so deadly to the people of the Middle East.[22] Indeed, the fall of the dollar could herald a wave of democratization against Arab despots no longer underpinned by the US.

## **Terrorology, Ideology & Israel.**

Abdullah Yousef Sahar Mohammad considers the field of terrorology to be service to power.[23] He states, “Terrorology is intellectually sterile, because the construct of ‘terrorism’ employed by terrorologists was not developed in response to honest puzzlement about the real world, but rather in response to ideological pressure.”[24] According to Yousef terrorologists are little more than propagandistic tools who, in accordance with academic fashion and enticing state incentives, will “construe the concept of terrorism as a weapon to be exploited in the service of those who would maintain the prevailing power system.”[25] This industry can churn out the desired facts and figures needed by institutions profiteering from the ‘Washington consensus’ selling of the ‘Clash of Civilisations’ brands.[26] The avalanche of scholarship considering the phenomena of terrorism has bombarded the popular imagination.[27] markets have been opened, the vacuum left by Communism has been filled, and the enemy Other has been firmly established – just in time to fight back the ‘rabid Islamists’ marauding across the Middle East fanatically intent on independence (their local version), which may, quite intolerably, result in more democratically structured societies (again, local manifestations. Not Euro-state-centric Enlightenment-Weberian bourgeois democracy the type of which the Bush administration ham-fistedly attempted to privately export to Iraq). The present wave of terror literature emanates from the culmination of the ideological entwining of neo-Orientalists like Daniel Pipes and Samuel Huntington, with neo-conservatives such as Francis Fukuyama, William Kristol and Richard Pearle, who’s Straussian philosophy of good vs. evil and esoteric leadership reached power on the back of its biggest voting block, Christian Evangelicals – who share a joint ambition with the ‘Greater Jerusalem’ orthodox Jews settling in the West Bank to hasten the Apocalypse – and who’s most significant financial contributors and special interests – Halliburton, Carlyle, Gilead Sciences, Lockheed Martin, L-3 Communications, CACI International, Blackwater, etc – all offer terror-combating solutions tailored to the GWOT paradigm.[28] With the coalescence of these forces scheming against any inkling of national self-determination in the Middle East the incompatible relationship between economic development and democratization has become even more transparent. The authoritarians of the Middle East understand the situation well, King Faud iterated after the failure of communism... “The prevailing democratic system in the world is not suitable for us in this region, for our peoples composition and traits are different from the traits of the world.”[29] To a lesser extent the government in Iran, with a strong post-revolutionary civil society, depends on the prevailing power system too, Ahmadinejad’s popularity being maintained almost exclusively from America and Israel bashing.[30] Israel shares the fears of Arab democratization with its main competitor for American favour in the region, the House of Saud, as Israel relishes in its status as the only democracy in a sea of despotism, and wins international sympathy for being so.[31] The Judeo-Christian corporate-statists are as fundamentalist as their perceived Other. If the Cold War pitted totalitarian communism against its mirror image of capitalist democracy, the War on Terror pits Evangelical corporatism against its mirror image of globalised Islamism. Neo-Orientalists, who argue Islam rejects earthly governance whilst being essentially totalitarian, but retains an overly strong, tribal civil society, believe this undermining of the state causes a retardation of the economy which western powers have an obligation to ‘modernize’ – by suppressing civil society for the economically accommodating authoritarian state.[32] These developments have warded off democracy and lessened the incentive for peace and, most worryingly, given birth to what Naomi Klein calls the ‘Disaster-Capitalism-Complex’, with the war in Iraq being the model.

## **Disaster Capitalism & ‘Green Zone Democracy’.**

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"Its security that matters more than peace... people were looking for peace to provide growth. Now they're looking for security so violence doesn't curtail growth" says Len Rosen, a prominent Israeli investment banker.[33] Peace and democracy are no longer on the table. A 'gated community' style of politics has taken effect with the haves – those invited to the 'green zone' corporate feeding frenzies from Mumbai to Dubai to Tel Aviv – and the have-not's – the sprawling 'red zone' surplus labour pools of humanity 'infected' with 'terrorism' – inhabiting different universes.[34] It is in securitizing these Westernized neo-liberal green zones against the disasters, rage and poverty characterising the world beyond which has become so lucrative that the homeland-security-complexes of America and Israel,[35] which have arguably consumed the Cold War military-industrial-complexes, have globalized, and just in time to shield-off the 'terrorist blowback' of globalization (which has multiplied sevenfold since the invasion of Iraq).[36] For the wealthy within the green zones a permanently fixed GWOT is far more economically attractive than democracy. Take the 'shock therapy' administered to post-invasion Iraq; borders opened to unrestricted imports, all subsidies cut, food aid eliminated – the softening up before the launch of Iraq Inc.[37] Then came the privatization of Iraq's two hundred state-owned companies, then came the 15% flat rate corporate tax, then the offering of 100% ownership of Iraqi assets to foreign companies meaning not 1% of profits earned in Iraq would have to stay their, 40 year leases and contracts were available to all, then the seizure of \$20 billion dollars from Iraq's national oil company, a brand-new currency was launched, Bechtel, Halliburton and others were free to import foreign low-wage labour to assemble their infrastructure projects, the school curriculum was privatised, 'democracy building' was privatised by the Mormon ResearchTriangleInstitute, a McDonalds was opened in Baghdad and the rest, including the ferocious ongoing insurgency, is history.[38]

## Conclusion

Iraqi's enduring what's been dubbed the 'anti-Marshall plan' know too well that the democracy building efforts America instigated in post-WW2 Europe and Japan have nothing in common with today's corporate Crusades.[39] This essay has attempted to emphasise the fundamental failure of the Chicago School 'free-market' and its anti-democratic nature with special reference to the Middle East. The richest 2% of adults in the world now own more than half of all global household wealth.[40] 'Trickle down' economics is a fallacy. To concrete this system for the ExxonMobil's of the world, for resource dominance, for the special relationship with Israel, for radical ideologues like Cheney and Rumsfeld, and for the future of the superclass, democracy in the Middle East is considered a primal threat and is actively marginalised by a consensus of the worlds leading powers in business, finance, military, and politics.

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[3] Klein, N. *ibid*, pg 51

[4] Rothkopf, D. *Superclass: The Global Power Elite and the World They are Making*,

[5] Klein, N. *ibid*, pg 428

[6] Stiglitz, J. *Globalization and its discontents*, pg 54

[7] A contentious and dated term that here basically means prime influences in Washington and London.

[8] Murphy, C. *The New Rome: The fall of an empire and the fate of America*, pg 117

[9] Chomsky, N. 'Drain the swamp and there will be no more mosquitoes' *Foreign Policy*,

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[16] Stokes, D. *ibid*, pg 266

[17] Stokes, D. *ibid*, pg 266

[18] Klein, N. *ibid*, pg 15, 86, 354-59

[19] Putzel, J. *ibid*, pg 80

[20] Putzel, J. *ibid*, pg 77

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[25] Sahar Mohammad, A.Y. *ibid*, pg 107

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[31] Mearsheimer, J. & Walt, S.M. *The Israel Lobby and US Foreign Policy*, pg 200

[32] Sadowski, Y. *ibid*, pg 18

[33] Klein, N. *ibid*, pg 436

[34] Klein, N. *ibid*, chapter 19

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[36] Fontan, V. 'Polarization Between Occupier and Occupied in Post-Saddam Iraq: Colonial Humiliation and the Formation of Political Violence', *Terrorism and Political Violence*, pg 217

[37] Klein, N. *ibid*, pg 344

[38] Klein, N. *ibid*, pg 435, 361

[39] Dower, J. 'A Warning from History: Dont expect democracy in Iraq', *Boston Review*,

[40] Klein, N. *ibid*, pg 420

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