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# NEW SOCIO-POLITICAL ACTORS IN NORTH AFRICA A TRANSATLANTIC PERSPECTIVE

Silvia Colombo  
Paola Caridi  
Jane Kinninmont

**G | M | F** The German Marshall Fund  
of the United States  
STRENGTHENING TRANSATLANTIC COOPERATION

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Cover photo: Egyptians celebrate the resignation of President Hosni Mubarak in Tahrir Square, Cairo, Egypt, February 11, 2011.

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# FOREWORD

## SILVIA COLOMBO

The historic changes that have taken place in North Africa since the beginning of 2011 call for a thorough reassessment of the socio-political realities in the region. The fall of the Zine El Abidine Ben Ali, Hosni Mubarak, and Muammar Gaddafi regimes and the outbursts of discontent in Algeria and Morocco are the product of a deep transformation of these realities. The United States and Europe cannot fail to understand this and address it in their policies.

While different in many respects, Morocco, Algeria, Tunisia, Libya, and Egypt share a number of similarities with regard to the socio-economic and political causes of the revolts as well as the current phase of transition. The changes taking place in the region have exposed the fragility of the previous status quo and the lack of resonance and capacity for mobilization of traditional structures, such as the old political parties. They have also highlighted the unexpected vitality of societies, which were formerly deemed apathetic. At the same time, these changes have shown the tremendous resilience of old power structures that have not been completely dislodged by the revolts in Tunisia, Egypt, and Libya, and are trying, in Morocco, to steer the wave of change in their favor. While it is too early to grasp the full meaning of these transformations, it is critical to assess the prospects of these countries' development through the lenses of the new socio-political conditions and actors that are emerging and are likely to play an increasingly prominent role in the future of the region.

The new actors that we have identified are:

- civil society, with particular emphasis on youth groups and their use of new communication technologies, such as mobile phones, the Internet, blogs, and social networks;
- economic actors, including the private sector and small and medium-sized enterprises; and

- Islamist parties and movements, such as *Ennahda* in Tunisia, the Freedom and Justice Party in Egypt, and the Justice and Development Party in Morocco.

The role of these actors has to be understood mainly in terms of their relations with the political establishment, be it the incumbent regimes, the military, or the partially new power structures, (other political parties and civil society groups), thus indicating the potential for cooperation or conflict between them during the transition phase.

The first element that needs to be underscored is that the novelty of these new actors does not lie so much in their emergence on the political scene in North Africa as in the new conditions in which they are operating, i.e., their participation in the political process as a result of the removal of old regimes or their partial and gradual transition toward a more democratic polity. In this sense, for example, although political Islam has long represented one of the defining features of the socio-political, but also economic systems in the region, it must now be studied in a new light both quantitatively — even the stronger fragmentation and pluralism within the Islamist camp across countries and within them — and qualitatively — in view of these parties' important victories in the first truly democratic elections in the region. This novelty can be fully appreciated only when considering individual national cases and not the broader regional picture, given the major differences characterizing each national context unleashed by the Arab Spring.

A second element that is relevant for our analysis is the relevance of these socio-political groups. One of the crucial questions concerns the extent to which these actors are or are likely to become vectors of change in themselves or are instead simply the product of the system in which they operate, including the old authoritarian power structures. While it is still too early to fully assess the present

and future role of these actors, a preliminary analysis suggests that they are more the product of the previous system and only mildly responsive to its change than completely new, independent, and proactive factors of change. This does not diminish the novelty and transformative role played by these actors, due to the changing political systems in the region and the complex interplay with other political forces.

Furthermore, there seems to be a marked difference between Islamist parties and entrepreneurial and economic actors, on one hand, and youth movements, on the other, in that the former is the product of the constraints and opportunities created by authoritarian regimes, while the latter, operating outside traditional schemes of governance, could indeed be regarded as a new political actor in its own right. Islamist movements and parties and economic actors have long had to survive in the rather constrained political space shaped by the former political regimes and have been either co-opted or repressed. Their ability to fully participate in this phase of political change, emerging as independent actors and advancing proposals on the new rules of the game, is thus still conditioned by the nature of the existing system. By contrast, youth movements that have mobilized through the Internet and modern communication technologies are actors of change in a completely new way with respect to other traditional and apparently consolidated forms of mobilization. Their defining features are spontaneity and informality.

This difference has clear policy implications for the transatlantic community. Not only is it of fundamental importance for the transatlantic partners to know, listen, and possibly engage with these actors if they want to understand the configurations of power that are emerging in the region. They also need to grasp the fundamental difference between actors that are clear drivers

of change, such as youth movements, and others, whose role in the socio-political system, while significant, depends on the opportunities offered by the system itself. It is of fundamental importance for the transatlantic partners to become acquainted with the youth landscape, their demands, and their tools with a view to establishing a dialogue with them and helping them develop their ideas and actions. At the same time, knowing that Islamist parties and economic actors are mainly a product of the systems in which they operate, transatlantic partners need to target the institutional features of the system more than the actors themselves. This means that, for example, strengthening the rule of law and the independence of the judiciary are two necessary steps to be taken to increase the chances for private economic sectors and the entrepreneurial class to develop and participate in the process of democratic change.

As for the Islamist parties, in addition to adopting a less emotional stance toward them, it is also important not to consider them as being isolated from the broader political context. Changing the institutional rules concerning elections, the party system, and the overall balance of power in the political system would affect the incentives and the scope of the Islamists' role as new political actors. This last point is linked to the relationship between structure and agency, namely the extent to which the structure, e.g., a functioning system of rule of law, should be considered a precondition for the role of the agents, such as an independent and healthy entrepreneurial class or pluralist and democratic political systems in which Islamist parties can participate alongside other movements and parties.

While more specific recommendations will be offered at the end of each paper, two general and interlinked proposals should be taken up by the transatlantic partners when approaching the North African transitions. First, it is important to

revise the policies and strategies that have been pursued in the region by the European Union and the United States to take stock of the emergence of these new socio-political conditions and actors. This means that new policies should be pursued to increase the visibility, independence, and effectiveness of these actors' roles. Taking account of the difference that has been pointed out above, this also means that youth groups should be offered opportunities to express their opinions and ideas and should be trained to develop their capacity to impact meaningfully on the political situation in their country. As far as the Islamist parties and economic actors are concerned, it is important to focus on promoting a more conducive institutional environment by applying stronger conditionality to the national governments to implement the necessary reforms. The second proposal concerns the need to create spaces to share experiences and best practices of institution-building, the instruments with which to develop the welfare state, and the contribution that youth can make to socio-political development. This could be done by organizing focus groups to which these actors would be invited to contribute. This would ultimately help them develop their own road to democracy and greater inclusion, and assist the West in gaining a more accurate picture of the realities on the ground that are going to shape the contours of this period of change.

The chapters in this report analyze a number of features of each of the three socio-political actors in North Africa: their role in the current phase of transition, the extent to which they can be defined as "new" actors, and their relationship with other components of the state and society, including the remnants of the old authoritarian systems. These features highlight their relevance, whether and how these actors have changed in light of the Arab Spring, their goals and instruments, and the main challenges they face in promoting democratic change.

Paola Caridi's contribution focuses on the spontaneous mobilization of the youth, which has been identified as one of the main drivers of the Arab Spring, forcefully unveiling the existence of untapped human resources. Their mobilization was possible due to the extensive exposure to and use of new communication technologies such as blogs and social networks, which worked not just as mobilizing tools but also as political spaces to create a common, transnational political culture. The keyword of such mobilizations and actions was "rights." Although embracing numerous political and cultural dimensions, from political Islam to secularism and post-Marxism, the Arab youth, especially in Tunisia and Egypt, overcame considerable differences through their focus on rights. Caridi's paper emphasizes the fact that the key demands of these youth movements centered on rights, and that it was through a rights-based discourse that they confronted the old regimes and are confronting the new powers in-the-making. Their rejection of traditional leadership and forms of organization, as well as their insistence on different forms of citizen representation suggest that a different elite is emerging in opposition to the old political categories.

Other actors have increasingly started to occupy relevant spaces on the socio-economic and political scenes of North Africa. Indeed the stabilization and future development of these countries cannot be achieved without the involvement of the economic sector, since most of the societal grievances are of a socio-economic nature. The paper by Jane Kinninmont offers a comparative analysis of the economic and political role of entrepreneurs in various North African countries, giving special attention to the role that entrepreneurs are playing in the transition. It argues that entrepreneurs have been among those challenging the regimes in Tunisia and especially Egypt, as the middle class and the private sector have seen considerable growth in recent years. They would stand to

benefit from political changes, especially if there were significant efforts to shed crony capitalism and develop a more rule of law-based system. Entrepreneurs could also represent a political force in their own right. However, the paper argues that so far they do not constitute a clear-cut or unified interest group in any of the North African countries and, as a consequence, do not play a prominent political role. In particular, there are significant class distinctions between wealthy entrepreneurs operating in the formal sector and the majority of micro-entrepreneurs who operate informally and seek to avoid direct dealings with government. Other aspects concerning the links between the private sector and the former authoritarian rulers in the current phase of transition are also illustrated in the paper.

Finally, the increasingly prominent role played by Islamist movements and parties in the North African countries is the object of the analysis carried out by Silvia Colombo. The paper dwells on the novelty that characterizes these Islamist actors in Tunisia, Egypt, and Morocco, underscoring the extent to which this is linked to the complex interplay between Islamists and other components of the political systems of the different countries. The formal institutional architecture under the former authoritarian regimes has always represented a powerful mechanism for controlling and channeling the Islamist opposition. Now these movements and parties are emerging with a completely new role as a result of the rapidly changing institutional context. In particular, one can speak of the growing fragmentation and pluralism inside the Islamist camp due to political competition. This increasing pluralism means that it is important to focus on the differences more than on the similarities across the North African national contexts, with a view to developing policies of engagement in a transatlantic perspective. Moving from the perception of political Islam as a homogeneous phenomenon to

a more diversified and nationally-bound political force could help capitalize on the opportunities offered by this phase of transition.

# 1

## CIVIL SOCIETY, YOUTH, AND THE INTERNET

PAOLA CARIDI

A specter is haunting the world, the specter of Arab youth. As the initial wave of turmoil spread from Tunisia throughout the Arab world in December 2010, a feeling of dismay hit the entire Western world. A new, previously unknown actor had come on stage and had taken the lead of the revolutions. Young people were and are most certainly the protagonists of the Arab revolutions, especially in Tunisia and Egypt, and are the primary actors of the socio-cultural tensions in Morocco. Yet, we may underestimate their role and weight in the future internal balance of power if we do not acknowledge that Arab youth have a history, however brief.

Arab youth have undergone an important process of socio-cultural formation in at least the last ten years. Thus, they have had an unavoidable part in shaping the new opposition to the authoritarian regimes after 9/11, which gave birth to the so-called Second Arab Awakening in 2011. Although the role and contribution of Arab youths to the ongoing transitional processes continue to be difficult to define, due to the informality of their representation and organization, it is nevertheless possible to identify not only their path in the last ten years, but also their common ground and demands. Arab young people found a common ground in one word: “rights.” These include rights in different areas: human rights, social rights, individual rights, cultural rights, freedom of expression, freedom of worship, labor rights, minimum wage. Although embracing numerous political and cultural dimensions, from political Islam to secularism and post-Marxism, Arab youth overcame substantial differences through this keyword: protection of rights.

In this context, the Internet worked not only as a tool and as the only possible political *agora* (gathering place), it also worked as an infinite library on rights. While this *fil rouge* is essential to understanding the strong links that unite entire

generations, it also explains some of the revolutions’ demands, which have continued to be posed during and after the electoral processes, as confirmed by the latest protests in Cairo’s Tahrir Square in November/December 2011. What happened recently in Tahrir, in the small, local protests ongoing in Tunisia after the October political elections, and in the movement that boycotted the November elections in Morocco attests to the extent to which Arab youth will not give up *street politics*. On the contrary, it seems that they will continue to link together protest and elections, widespread consultation with a more classical approach to representation: the street with government.

To understand their role in the regimes’ transformations, more has to be known about their individual identities and history.

### @alaa, the Revolution, and the “Social Non-Movements”

Lina Atallah writes about a young activist, Alaa Abdel Fattah, one of the leading figures of the “January 25” Revolution, in her article published at the end of October 2011 by the Egyptian daily, *Al Masri al Youm*.<sup>1</sup>

*“The marginalized are always the core.” From Christians, to tuk tuk drivers, to gay people, Alaa glorified how they challenge the status quo by denying its existence. “Now if you count the marginalized in all their forms, we are the majority, because it includes women, the poor, those who live in slums, in rural areas ... That makes the mainstream a minority.” [...] He sees the alliance in post-Mubarak Tahrir, where the mainstream men and women — both Christians and Muslims — of the “gentrified square” retreated, ceding the place to street sellers,*

<sup>1</sup> L. Atallah, “Blog: We shall be Victorious. Fragments from a conversation with Alaa Abd el Fattah,” *Al Masri al Youm*, October 31, 2011, at <http://www.almasryalyoum.com/en/node/510602>.



*gangs, and what-not. Along with the remaining activists of the square, this alliance stayed on, claiming post-uprising demands at a time when many others went back home seeking “stability.” Those who slammed Alaa and his fellow activists for continuing the revolution after February were jealous, he says, because the fluidity of its identity allowed for cross-class solidarity. This keeps the revolution alive.*

Fattah’s personal and political life epitomizes the new Arab activism’s long road to the 2011 revolutions throughout North Africa: from a cyberactivism niche to a unique symbiosis between civic activism and street politics. Indeed, the marginalization Alaa Abdel Fattah was speaking about reminds us strikingly of Asef Bayat’s “social non-movements”<sup>2</sup> and their role in Middle East political change.

A software developer by profession and born and bred in a family of dissidents, Fattah, 29, is also the scion of the post-1967 Arab *intelligentsia*. His father, Ahmed Seif al Islam, was not only an important figure in the opposition to the Egyptian regimes led by Anwar el Sadat and his successor, Hosni Mubarak. He was also a communist and an experienced and esteemed human and civil rights defender, and after experiencing incarceration and torture, contributed to the Egyptian civil society scene by founding and leading the Hisham Mubarak Law Center.

In 2004, Fattah started his cyberactivism. Together with his wife, Manal Hassan, they created the first Egyptian blog aggregator, which described the day-by-day evolution of the national panorama of virtual diaries and the ongoing building of a political digital community. There was a need to connect their individual and/or community identity

<sup>2</sup> See A. Bayat, *Life as Politics. How ordinary people change the Middle East*, Amsterdam, ISIM/Amsterdam University Press, 2010.

directly to their identity as citizens, addressed, in this case, to other citizens-netizens. The bloggers in Egypt and in Tunisia — and also in Morocco, Bahrain, and Syria — had three needs:

- to *communicate*, to build bonds with other bloggers whom they perceived as similar, with the aim of constructing a “virtual café culture”;
- to *supply information*, which differed from the state information channels and mainstream news (including satellite TV channels); and
- to *build a common culture*, not necessarily, at least at first, a political culture.

It took only a few months for this embryonic electronic dissident scene to move from activism on the net to the street. It was the so-called “Cedar Revolution,” which started in Beirut in March 2005 after the assassination of former Prime Minister Rafiq Hariri, that boosted opposition protests in many Arab countries. During 2005 and 2006, well before what has been called the 2011 Second *Nahda*, or Second Arab Awakening, cyberactivists in Cairo started to explore the tools later used during the Tunis and Cairo uprisings — cameras, mobile phones, computers — to expose the regime’s repression and turn (internal and international) attention to the ongoing civil and human rights’ violations. This happened in Tunisia as well, where the ICT revolution came, surprisingly, from above, as part of President Zine el Abidine Ben Ali’s dream to shape a digitalized future for the Tunisian youth. In a country where press and TV were totally under the regime’s control, and where censorship was capillary, the Internet was initially a refuge. “The censorship exercised by the Tunisian regime on all discordant voices pushed the opposition and Tunisians in general to *exist* on the Web,” said Mourad Dridi, IT engineer, and founder of the Tunisian Association for the Defense

of Cyberspace, in an interview with the author from his home in Paris in 2005.

Egypt, however, was the real laboratory for the creation of parallel (net) information, giving different interpretations of the political process that began in 2005 with the *Kefaya* protests. It was a year marred by a harsh confrontation between the Hosni Mubarak-led regime and the opposition, from the constitutional referendum on May 25, through the constant violence against opposition members, to the two electoral campaigns for the presidential elections that reconfirmed Mubarak, and the renewal of the People's Assembly. In 2005, an Egypt in ferment provided the so-called "citizen journalists" with a terrain on which they could emerge and accumulate experience. It was precisely the type of information that passed through Egyptian blogs that served as an initial adhesive among bloggers. It created the bond necessary to build a common political culture, not in ideological terms, but rather as a frame within which to give birth to a new community of citizens in search of political reform.

Arab bloggers moved, therefore, from e-dissidence to real opposition in the streets, in the cafés, in *street politics*. Those were the places where young netizens lifted their web-mask and revealed their proper identity, creating a community no longer simply virtual, and building profound personal links that still last. In Tunisia, about 100 bloggers, a quarter of them women, met once a month in a public place in the capital to speak about blogging, to meet new bloggers, and to be together. The need to meet outside the virtual agora was a feature of the Arab blogosphere that was, from the very beginning, less individualistic than the Western one. These communities, however, never forgot the Internet. Indeed, they continued to use blogs, both to transmit information and to evolve their political discourse. Even in those days, Alaa Abdel Fattah was one of leading figures among the digital

activists, inside and outside Egypt. His arrest in 2006 led to the first virtual campaign to press the regime to free him from jail. For almost two months, the *FreeAlaa* campaign filled the Arab net and raised awareness of the regime's violations. It was a dry run for the future street and digital protests.

Thus, in 2005 and 2006, the Arab region experienced the birth of a dissent that was less solitary and individual and more and more aggregated. The construction of this common political culture in each Arab national context passed through the blogs, the simplest and economically most accessible way of collecting thoughts and persons and avoiding — as much as possible — censorship by government authorities. In Tunisia and Egypt especially, a national community emerged. In the Tunisian case, the community focused on freedom of expression and the fight against the regime-led censorship of the web political and cultural scene. In fact, the Ben Ali regime soon understood the threat represented by webzines and blogs used as a political tool by the dissidents in Tunisia and abroad. As a result, it started to censor users heavily, blocking websites and communications. In Egypt, the Mubarak regime only understood the blogosphere's potential strength when it was too late, focusing its violent repression on the confrontation in the street. This is why the Egyptian dissidents chose not to concentrate on censorship. Instead, their major fight was for civil and political rights.

In both Tunisia and Egypt, the dissent amalgamated through the diffusion of *e-samizdats* (self-published works), i.e., electronic or virtual samizdats, to make a comparison, perhaps somewhat exaggerated but certainly paradigmatic, with Eastern Europe under pro-Soviet regimes between the mid-1970s and the fall of the Berlin Wall in 1989. Instead of a typewriter or a pen to copy the outlawed samizdat, the Internet provided a much easier

way of reproducing and spreading copies of texts outside of the institutional channels. Such a parallel cultural production cannot be defined as clandestine literature, because very few bloggers decided to use aliases or covert identities in expressing themselves. On the contrary, their way of dissenting favored exposing their real identities in spreading their opinions and thoughts through the net. In the first phase, bloggers often wrote in English and French. Then, the former colonizers' languages were replaced by the spread of blogs in Arabic, highlighting the need to build a cultural and political community also through language.

This expansion of the blogosphere — although not clearly visible to a wider Western audience — was apace with an impressive demographic and technological growth. It was the 2009 edition of the *Arab Human Development Report*, funded and strongly supported by UNDP, that showed the figures: up to the end of the 20<sup>th</sup> century, “population growth rates in the Arab countries were among the highest rates in the world. For the period 2005-2010, the population of the Arab region is projected to grow by 2 percent per year”<sup>3</sup> (nearly double the world average for that period). This means that almost two-thirds of the population of the Arab world is now under 30 years of age. At the same time, official figures put the Arab unemployment rate at 14.4 percent, more than double the world average (6.3 percent).<sup>4</sup> Parallel to the impressive demographic growth, however, there was a less visible but exponential digital growth. The increase in Internet use between 2000 and 2008

was almost three times the world rate of growth: 1,176.8 percent versus 290.0 percent.<sup>5</sup>

This is the context in which social networks spread so rapidly, especially from 2008 on, after the first, more numerically restricted “blog phase.” It would be impossible to understand the role of Facebook and Twitter in Tunisia, Egypt and, to a lesser extent, Morocco without taking into consideration not only the demographic growth, but also — if not especially — the Arab digital (r)evolution. Without the Arab blogosphere and the link between net and street politics, the social networks would not have had the impact they had in 2011 in aggregating support for the revolutions. In short: Facebook was an aggregator and Twitter a tool. Blogs were the message bearers.

But why did Arab youths choose to gather through the virtual agora instead of meeting in the more traditional forums offered by the plethora of civil society organizations (CSOs) present in all three nations? The main reason lies in the controversial relations between many of these CSOs and the regimes. The regimes overtly financed and led many of the associations that represent considerable parts of civil society. Furthermore, they put extraordinary pressure on important organizations such as professional associations. This policy toward CSOs also confirms that the authoritarian regimes could not bear the presence of organized dissent, thus pushing the young people to find a more informal way to gather and build a political community. That is why they chose the net, considering it a safe haven where the regimes still did not have the same power of coercion.

The Egyptian blogger and cyberactivist, Alaa Abdel Fattah, together with the other e-dissidents, was in Tahrir Square in January and February 2011 after flying in from his home in South Africa. After the uprising's epic phase, @alaa continued

<sup>3</sup> See B. Korany, *The Changing Middle East: A New Look at Regional Dynamics*, Cairo, American University of Cairo Press, 2010, p. 199.

<sup>4</sup> See *Statistical Update on Arab States and Territories and North African Countries*, ILO Department of Statistics, May 2011, available at [http://www.ilo.org/wcmsp5/groups/public/---dgreports/--stat/documents/presentation/wcms\\_156325.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/--stat/documents/presentation/wcms_156325.pdf)

<sup>5</sup> See B. Korany *op. cit.*, p. 200.

to link together net and street politics, through the *tweetnadwa*, a method of political debate experimented with in Tahrir and elsewhere in the Arab region, which uses 140-character tweets and personal participation with the specific goal of reviving political language. Short messages require a different language and clearer priorities. In October 2011, Fattah was arrested again and brought to the same prison, this time under different (transitional) rulers. The Egyptian and Arab net immediately started a campaign to ask for his liberation under the same banner, *FreeAlaa*, or better, *#FreeAlaa*.

Again, the core issue was the violation of a fundamental civil right. In 2006, it was freedom of thought. In 2011, Fattah refused, as a civilian, to be summoned and judged by a military court. Unlike in 2006, his political discourse during the different stages of the 2011 Egyptian revolution was all a part of street politics, underlining the strong link between civic activism and the “social nonmovements” that the revolutions brought to the surface. This confirms Asef Bayat’s interpretation of the role and perspective of the “Arab street,” which “exhibited a fundamental vitality and vigor in the aftermath of 9/11 events and the occupation of Iraq.” As Bayat wrote, and as Abdel Fattah experienced, the Arab uprisings brought forth “some kind of ‘post-Islamist revolutions,’ a type of indigenous political reform marked by a blend of democratic ideals and, possibly, religious sensibilities.” The “social nonmovements of fragmented and inaudible collectives,” Bayat concludes, would play “a crucial role in instigating such a transformation.”<sup>6</sup>

Alaa Abdel Fattah’s experience is only one of the hundreds of possible examples illustrating the trajectory of the emerging groups of cyberactivists, who became the protagonists of a revolution in

2011. But his history as a young dissident reveals more than this: it illustrates a common ground that binds together at least three national cases. There are clear similarities in Tunisia and Egypt that led to a sudden regime change, or rather a regime change in-the-making. From a perspective that focuses on the trajectory of youth, however, Moroccan protests also share the same similarities: rights, informality, and a profound distance from a conservative and traditional form of leadership.

### **Rights, Informality, and no Quest for Leadership**

Youth in Tunisia, Egypt and even Morocco — albeit on a less “explosive” level — are the core of the social nonmovements occupying the street politics in complex urban public spaces. From Cairo and Tunis to Casablanca, specific common goals and cultural identities can be identified that transcend nationalities and even political backgrounds, shaping a pan-Arab specificity in the young people’s requests and in their role. In fact, in all three countries, the youth revolutionary scene is dominated not by ideologies, but by rights, issues, and tools. In Tunisia and Egypt, a similar work in progress used the internet as a forum. In Morocco, other tools were and are being used to build a common political culture and more complex national identity: first and foremost, the private radio stations that have obtained operating licenses in the last five years. These private stations have opened their microphones to an entire generation, which is using the airwaves to break social taboos and build bonds across differences.

Analyzing both the events of the North African uprisings and the cultural products of the Second *Nahda*, it is clear that the most important common ground of Arab youth is rights. It is not a naïve aspiration to live in a better world. It is a precise civic, political, and socio-economic program for the Arab region in the future. From the very beginning, that is, since the political suicide of Mohammed

<sup>6</sup> A. Bayat, *op. cit.*, p.14.

Bouazizi in the Tunisian town of Sidi Bouzid, Arab youth have demanded human and civil rights. The right to be respected as a human being. The right to be a citizen, not a subject. The right to a fair trial. The right to free and fair elections and institutional transparency. The right to be free from corruption. The right to a renewed social contract between the state and the citizen. The right, even, to a dignified minimum wage and working conditions.

It could be argued that similarities are more important, in this context, than differences, which depend more on the regimes' way of shaping themselves than on the young people's political culture. The political discourse of Moroccan youth is obviously concentrated on the need to negotiate a profound change with the *makzhen*, the political elite and the monarchy. Tunisia, meanwhile, has had fewer problems in shaping its own transitional process, far removed as it is from the rigid Western strategic needs that are influencing the Egyptian transition from revolution to democracy.

It is this generational common ground that has unified the youths coming from deeply different backgrounds — Islamist, secular, liberal, post-marxist — in the same street politics, the same public space, and the same virtual non-space. In fact, all of them distance themselves from the classical and organized opposition in favor of a strong informality in political practice. Compared with the dissent in Eastern Europe that preceded the 1989 revolutions, the dissent of the young Arabs in North Africa is less organized and less ideological. However, it shares the focus on rights and liberties with the Eastern Europeans.

The difference with past practices also extends to tools. Heba Raouf Ezzat, a renowned scholar at Cairo University on democracy with a strong Islamist identity, together with Mary Kaldor, examined the revolutionary practices that were used again in 2011 some years ago, along with the

youth's political programs and priorities. As a future protagonist of Tahrir, Mary Kaldor insisted at that time on civil society, nonviolence, and citizenship.

If civil society is about “men and women making the transition from subject to citizen,” then the use of violence is contradictory because brutality maintains people in a state of dependence, insecurity and fear. By contrast, nonviolence ends dependence and empowers people. Nonviolent action, which is based on respect for oneself and others, and agency requires working collaboratively, and helping people to deal with their fears so that they have the courage to act nonviolently.<sup>7</sup>

There is an evident link between the nonviolence experimented with in some of the Arab revolutions and protests (in Tunisia, Egypt, and Morocco, as well as Syria and especially Bahrain) and Western practices in environmental and transnational issues from the end of the 1990s till now. This emphasizes the profound difference between traditional Arab dissent against regimes in the 1970s and 1980s, and today's young opponents. The Arab youth who led the revolutions do not consider cultural contamination a threat to their specific national, religious, individual, or political identities. In fact, they have translated external practices and inputs into a solid local version without fear of being swallowed up by a new and different Western neocolonialism.

One example can help to clarify this assumption: the use of web graphic art in the Arab revolutions is indebted not only to Western models, but also to other revolutionary and protest movements. Ernesto Che Guevara has been reinvented in a thousand ways over the years, overlaying his iconic black and white profile on completely different political protagonists, ranging from

<sup>7</sup> See M. Kaldor and H.R. Ezzat, “Not Even a Tree: Can Violence be Justified in a Global Era?” in H.K. Anheier, M. Kaldor and M. Glasius (eds.), *Global Civil Society 2006-2007*, London, Sage, 2005.

Lebanese Hezbollah leader Hassan Nasrallah to the last Tahrir revolutionary victim, Meena Daniel, killed during the Maspero massacre in Cairo on October 9, 2011. The Black Panthers' famous fist has spread throughout the Arab region, from the April 6<sup>th</sup> Movement in Egypt to the Moroccan protests led by the February 20<sup>th</sup> Movement. The same has happened with music, as the hip hop Arab scene has for many years shown. A typical rebellious *banlieue* phenomenon such as rap music has been assimilated by the Arab musical scene and reinterpreted as a resistance tool with its own specific profile, much more secular and less religiously conservative than the American Black Muslim hip hop. Rap is so important that it has become the soundtrack of the revolutions and protests, and rappers have somehow become iconic to the point that young people consider them equal to resistance fighters, and the authorities in some cases consider them a threat to the regime.

The last issue is in regard to political organization and leadership. In recent months, a question has arisen among analysts and experts regarding the representation of young people. The lack of a distinct and single interlocutor in the Egyptian and Tunisian cases has led to different interpretations. The first: after the revolution's "epical" phase, the young people lacked the ability to go further and to confront the difficulties of a transitional process. A more complex picture in all three national cases shows that, on the contrary, the absence of a single interlocutor, and vice versa the presence of different groups and coalitions, has a deep political significance. It means that there is an absolute refusal to adopt the same concept of leadership that has been experimented with and realized in the Arab region. Throughout their lives, recent Arab generations experienced the personality cult of some regime, which marginalized all the "political" others. The reaction — not only instinctive but profoundly reasoned — was and is the refusal of leadership and neopatriarchism. The discourse

focuses, instead, on different ways of representing the social actors, from the professional unions and the labor unions to, of course, the social nonmovements. There is no single recipe to address the demands for a different kind of political and institutional representation. National discussions are going on, but it is important to stress that Arab young people are not naïve on this issue, considered one of the main pillars of regime change and transformation.<sup>8</sup>

It is essential, instead, to analyze the consultative methods followed by young people in the different public spaces during the uprisings and the protests. These procedures speak of a collective decisional process, different from the traditional one, and deserve further, closer examination not marred by a prejudicial stance. In the short term, the lack of leadership is perceived as a sign of weakness, as signaled by the elections for the People's Assembly in Egypt and the results of the elections held in Tunisia in October 2011. However, it seems that turning down leadership is an unavoidable step along the path leading to a different way of organizing consensus.

### Conclusion

A new, young, and different elite is seeking space in the North African Arab countries, and the old political categories can no longer explain the change. It is a political and cultural elite that does not limit itself to social constraints such as the new emerging urbanized middle class. On the contrary, this new political and cultural elite includes well-educated middle class scions in its "constituency" along with marginalized urban youth, gluing together extremely different social sectors with the strong adhesive of rights.

Although it is still difficult to categorize their political strength, their present and future role

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<sup>8</sup> See A. Bayat, *op. cit.*, p.14.

in changing the regimes is unavoidable. The first and most banal reason is the extraordinary demographic pressure exercised by young people, who now represent the majority of the population: for years, Arab youth have lacked the social contract their parents and grandparents enjoyed in the initial years of decolonization. While gerontocracies and political patriarchy could continue to manage the regime change in the next few years, it will be impossible for them to resist the ongoing pressure coming from such an enormous swathe of the population asking for a future, dignity, rights, and work. Therefore, it is impossible for European and U.S. actors to defer their obligation to listen to the young people's demands once again, and envisage how the real new North Africa will be.

The lack of a rigid ideological framework among the young should pave the way for a different approach from a transatlantic perspective. Generally speaking, Arab youth have broken a lot of stereotypes still present in the way the West perceives the North African reality. The first stereotype regarded anti-Americanism: nobody in Tahrir or elsewhere considered the United States or Europe as a symbol of oppression. Nobody burned American flags. Nevertheless, the Arab youth considered their regimes as supported by the West, and thought of their military, political, and business apparatuses as tools of the U.S. presence in their countries. It is therefore essential that actions be implemented to reverse the widespread mistrust among young people regarding Western policies in the region.

Listening, more than supporting. Asking, more than teaching. This is the kind of approach that Arab youths would like to see in their European and U.S. interlocutors. They do not lack knowledge of European and U.S. culture. On the contrary, their main demand is that Western actors also try to go beyond stereotypes and get a better knowledge of

the complexity of Arab youth. To that end, listening and asking are even more important than building bridges.

This approach also implies a very evident weakness, due to the complexity of the youth political and cultural scene. It is extremely difficult to identify the main components of the Arab youth movement to be involved in a trust-building process. Individuals, very small networks, and informal groups should be the recipients of a fruitful transatlantic effort, which should have but one goal: to provide a detailed catalogue of the actors and demands of the Arab youth's political discourse.

The second recommendation concerns the political discourse on democracy-building. Generally speaking, Arab youth has internalized a strong refusal of any covert attempt to support what they consider a neocolonialist influence on the reshaping of their regimes. The only support they would accept is the kind that gives them complete freedom to act according to the models of democracy they want to achieve.

# 2

## THE NEW AND OLD ECONOMIC ACTORS IN NORTH AFRICA

JANE KINNINMONT

This paper offers a comparative analysis of the economic and political role of entrepreneurs in different North African countries, with a focus on the role that entrepreneurs are playing in the transitions in Tunisia, Egypt, and Libya. It argues, firstly, that the former ruling regimes worked to construct systems of political economy that provided strong incentives for key economic actors to be politically loyal to the state. In so doing, they sought to avoid a situation where business people could be a fully independent political, as well as economic, force. However, these structures of political economy did not prove sufficient to forestall opposition to the regimes from some within the business community, particularly those that were excluded from the fairly narrow group of business “insiders” favored by the regimes.

The paper argues, secondly, that although some entrepreneurs have been important political actors in North Africa’s transitions, entrepreneurs do not constitute a clear-cut or unified interest group in any of the North African transition countries. An understanding of the political role of entrepreneurs will have to take their diversity into account. The picture will remain a complex one as ongoing political changes are likely to disrupt some of the existing business and economic relationships, although there will also be areas of continuity as some of the businesspeople that were successful under previous regimes will seek to reinvent themselves and develop new relationships with newly empowered political players.

Thirdly, the political transitions in North Africa will present positive opportunities for entrepreneurs, but it is not yet clear to what extent there will be structural changes rather than a replacement of old elites by new elites. A broader range of North African entrepreneurs may benefit from the ongoing political changes, if there are efforts to develop less cronyistic approaches to a market economy and to create a more level playing

field for local people to enter business. There are now clear popular demands across North Africa to develop less cronyistic economies with a greater focus on economic inclusion and “social justice” — yet it may also be tempting for new political elites to carry on with the practices of the past. Moreover, efforts to rein in corruption, reduce the privileges of existing elites, and create a more level playing field will all encounter resistance from established interests that fear they will be the losers of such changes.

Some key Western policymakers, notably the U.S. Department of State, are seeking to channel new financial and technical support toward entrepreneurs in North Africa as part of their efforts to support the political transitions there. The fourth main argument made by this paper is that policymakers need to be aware that U.S. and European assistance for entrepreneurs will have political, as well as economic, ramifications, and should not be seen as an apolitical or purely technical approach. More generally, Western policymakers need to be aware of a high degree of suspicion among many local actors about the political agendas underlying Western assistance, particularly in Egypt, resulting from the history of Western support for the authoritarian regimes that have now been overthrown.

### **Pre-Uprising Structures of Political Economy in Tunisia, Egypt, and Libya**

In all three countries, the regimes sought to develop political-economic structures that provided economic incentives for political loyalty. Tunisia had ostensibly the most “liberal” economy, having embarked on economic liberalization policies as early as the 1960s. Yet in practice, competition was extremely limited and wealth was heavily concentrated in the hands of a few families with political links to the president’s family. Egypt’s liberalizing reforms were more recent, but wealth concentration remained high, largely due to a



combination of outright corruption and more insidious cronyism. Libya's economic structure is very different, as it is one of the Arab world's most oil-dominated economies; oil accounted for 97 percent of all exports in 2009, a higher proportion than in any of the Gulf monarchies, according to Economist Intelligence Unit data. The combination of oil wealth and the legacy of Muammar Gaddafi's socialist ideology turned Libya into one of the region's most state-dominated economies as well, with an estimated 70 percent of the workforce employed by the state. The country had recently begun to embark on a process of limited economic liberalization, permitting more foreign private investment, but this was in its early stages and more research needs to be done to assess how these reforms may have affected the legitimacy of the state (the opportunities for independent academic research in pre-uprising Libya were very limited).

Overall, it appears — with the benefit of hindsight — that the political and business elites created by the specific policies and systems of each country were ultimately too narrow to protect the regimes against challenges from unusually united, cross-sectoral, and broadly based opposition movements. That said, the distribution of economic wealth was just one of many factors explaining the uprisings; such transitions are not yet fully understood but seem to reflect a complex mix of factors, likely to involve a mix of structural changes (such as demographics, education, the shift in the distribution of information away from the traditional state monopolies, and constraints on the regime's ability to use force) and changes in the behavior of key actors (for instance, the building of broad-based coalitions in opposition to the existing ruler, the learning by opposition movements about how to overcome traditional obstacles, decisions by regime insiders to sacrifice the leader or to defect, and, in the case of Libya, international intervention).

Economic policies in all three countries created a high degree of wealth concentration, and business dominated by fairly narrow elites. People may be willing to accept economic inequality if they think it is justified, whether on the basis of deference (seeing it as “nature,” tradition, fate, God's will, etc.), the belief that the higher ranks are accessible to them too (meritocracy, social mobility, “the American dream,” etc.), or the conviction that everybody benefits (“trickledown effect,” “rising tide that lifts all boats,” etc.). The three countries under consideration seem to have failed to find ways to legitimize their high levels of inequality, and a broad consensus emerged that the previous state of affairs was too unequal. However, there will be future divisions over the extent to which equality should be pursued.

### **Tunisia**

Like most North African countries, Tunisia's business sector suffers from a “missing middle,” with much of the wealth concentrated in the hands of a few successful businesses, and most of the rest of the country's companies being small and medium enterprises (SMEs), with the emphasis being on “small.” Prior to the uprising, the most successful businesspeople were those with close ties to the regime, the president, and the family of his wife, Leila Trabelsi. Indeed, a Wikileaks cable states that the reason there is no McDonalds franchise in Tunisia is because McDonalds had refused to “play the game” by awarding its franchise to someone connected to the ruling family;<sup>1</sup> in turn, the government refused to grant an operating license to McDonalds' designated franchisee.

From the late 1960s, Tunisia pioneered policies of economic liberalization (*Infitah*) in North Africa under an authoritarian political system. Hazbun argues that the experience of liberalization under

<sup>1</sup> Wikileaks cable 2008/06/08TUNIS679, “Corruption In Tunisia: What's Yours Is Mine,” available at <http://213.251.145.96/cable/2008/06/08TUNIS679.html>

Bourguiba ultimately destabilized his rule by creating social dislocations that were increasingly criticized by the growing Islamist opposition, and made short-lived promises of political liberalization.<sup>2</sup> Hazbun argues that when Zine El-Abidine Ben Ali took over in the mid-1980s, at a time when Tunisia was struggling to finance its fiscal and current account deficits, he managed his liberalization policies in a fundamentally different way. Ben Ali took care to ensure that private companies had opportunities to grow and make profits, but that they remained dependent on the state in doing so. This is an important observation for EU and U.S. policymakers, who sometimes assume that economic and political liberalization go hand in hand, influenced by their own history and perhaps also by the experience of the Soviet Union after *glasnost* and *perestroika*.

From the late 1990s, there emerged a small, elite group of entrepreneurs that supported the policies of Ben Ali, nicknamed “the captains.” Cassarino argues that the emergence of this group was encouraged by Tunisia’s 1998 structural adjustment program, endorsed and funded by the EU and IMF.<sup>3</sup> Contrary to assumptions that structural adjustment would reduce the role of the state, he argues that it paved the way for greater state interference in the economy. While the EU saw the structural adjustment program as conducive to democratization, greater openness to imports and international competition undermined small independent businesses in Tunisia, which were unable to compete, and ultimately increased the concentration of wealth in the hands of a few large conglomerates. Moreover, the program allowed the

<sup>2</sup> W. Hazbun, “Images of Openness, Spaces of Control: The Politics of Tourism Development in Tunisia,” *Arab Studies Journal*, Fall 2007 / Spring 2008, pp. 10-35, available at <http://www12.georgetown.edu/sfs/ccas/asj/issues.cfm?issueid=13>

<sup>3</sup> J.-P. Cassarino, “The EU-Tunisian association agreement and Tunisia’s structural reform program,” *Middle East Journal*, Vol. 53, n. 1, 1999, pp. 59-74.

state to subsidize the restructuring of individual firms to make them competitive, thus providing the state with more funds to dispense as favors to the loyal or well-connected. Overall, Cassarino argues, the state created a new type of nobility in the form of the well-connected “captains.”

One of the best known was Aziz Milad, chairman of a diversified conglomerate (Tunisian Travel Services) an investor in and board member of numerous other companies, and a member of the ruling party’s central committee. Milad is the majority shareholder in *Nouvelair*, the chairman of which was Belhassan Trabelsi, the president’s brother-in-law, until he was removed in April 2011. Some major players in the banking sector were also linked to the president’s family. Trabelsi sat on the board of *Banque de Tunisie*, while Marwan Mabrouk, Ben Ali’s son-in-law, sat on the board of one of the biggest lenders, *Banque Internationale Arabe de Tunisie*, chaired by his brother Ismail.<sup>4</sup> Another son-in-law, Mohamed Sakher al-Materi, was granted the privilege of opening the first-ever Islamic bank in Tunisia in 2010. This bank, Zitouna, was taken over by the Tunisian central bank after Ben Ali was deposed. The availability of credit was often linked to political connections, rather than to entrepreneurial talent or the promise of a new business model, which restricted the ability of new entrepreneurs to start up businesses unless they had independent financial resources.

By the time of the uprising, there was a widespread perception that corruption was increasing, which may have contributed to the destabilization of the status quo. Tunisia’s ranking in Transparency International’s Corruption Perceptions Index, which ranks countries on the basis of several surveys investigating perceptions of corruption,

<sup>4</sup> R. Wigglesworth and D. Dombey, “U.S. Warns of Flow of Illegal Assets from Tunisia,” *Financial Times*, January 20, 2011, available at <http://www.ft.com/cms/s/0/0bca2346-24c4-11e0-a919-00144feab49a.html#axzz1icIjr9RE>

fell from 43 in 2005 to 73 in 2011 (with 1 being the least corrupt). The cost of corruption was increasingly likely to weigh on businesses, aside from those that directly benefitted from it. In addition, as in Egypt, some of the most lucrative investment opportunities were in sectors that created few jobs, notably land and property. Beatrice Hibou argues that government discourse that claimed Tunisia was undergoing an “economic miracle” added to resentment by creating expectations far removed from reality.<sup>5</sup> A similar argument could be made for Egypt.

Prior to the uprising, foreign companies were also likely to cut deals with people close to the president’s family. However, the unpredicted political transition quickly turned these long sought-after relationships into a clear disadvantage. During the uprising, there were arson attacks on local franchises of French brands that were seen as being linked to the Trabelsi family. Notably, Carrefour (which was attacked by arsonists) had a joint venture with Ulysse Trading and Industrial Company, whose CEO, Taoufik Chaïbi, was the president’s son-in-law. There were also attacks on Geant, another French supermarket, which operated in a joint venture with Ismail Mabrouk, from the well-connected Mabrouk family. Several Mabrouks, together with several Trabelsis, were among those whose assets in Switzerland were frozen by the Swiss government in January 2011.<sup>6</sup>

<sup>5</sup> B. Hibou, “Tunisie. Economie politique et morale d’un mouvement social,” *Politique africaine*, No. 121, March 2011, pp. 5-22, available at <http://www.politique-africaine.com/numeros/pdf/intro/121005.pdf>

<sup>6</sup> The relevant government order has useful information about the various business links: Swiss Federal Council, *Ordinance instituting measures against certain individuals from Tunisia*, January 19, 2011. An unofficial translation by the International Centre for Asset Recovery can be found here: [http://www.baselgovernance.org/fileadmin/docs/news/Tunisia.Ordinance.19.01.2011\\_ENG.pdf](http://www.baselgovernance.org/fileadmin/docs/news/Tunisia.Ordinance.19.01.2011_ENG.pdf)

### **Egypt**

Egypt moved from a state-dominated Nasserist economy in the 1960s to a more liberal system in the 1970s, as the then-president, Anwar Sadat, pursued a policy of *Infitah* that had similarities with the experience in Tunisia. Hosni Mubarak, who came to power in 1981, was less preoccupied with economic reform. However, following a decade of sluggish growth, the president appointed a liberalizing, technocrat-heavy cabinet in 2004 under Ahmed Nazif, a former minister of telecommunications and information technology (a sector that has been one of Egypt’s success stories in terms of developing skills, adding economic value, and attracting investment). This was widely seen as a reflection of the influence of his son, Gamal Mubarak, a businessman. The Ahmed Nazif government made some significant macroeconomic achievements, boosting the rate of economic growth and the levels of inward investment, largely by cutting tax and red tape, simplifying investment procedures, and overhauling the banking system. The country was repeatedly praised by the World Bank as one of the world’s top business-friendly reformers, though this reflects the fairly narrow measurement of reforms offered by the Bank’s annual “Doing Business” index, which looks at ten categories in which state institutions and actions can constrain or help business.

However, by 2009, even the internal think tank of the government’s investment-promotion agency, the Board of Trustees of the General Authority for Investment and Free Zones (GAFI), observed that the supposed “trickle-down” effect, whereby the fruits of growth would be shared with the population, was lacking, partly because investment was concentrated in capital-intensive sectors rather than in labor-intensive industries that would create jobs, and partly because poor education combined with high unemployment left the majority of Egyptians working in very low-paid jobs, while a small, educated elite could command much

higher salaries.<sup>7</sup> In addition, inflation remained persistently high, biting into the incomes of the poorest, especially since high unemployment and skills shortages prevented most from being able to negotiate wage increases. At the same time, while constituting a minority, the middle class did expand.

A relatively small number of families continued to dominate business. Since the 1990s, privatizations had tended to transfer state companies to a relatively small group of private investors. In 2008, the top ten companies in the Egyptian stock exchange, comprising more than 45 percent of market capitalization, were controlled by less than 20 families, while almost 40 percent of private sector credit went to just 30 companies.<sup>8</sup> Osman notes that the problem of double-digit inflation was discussed at length by parliamentary committees comprising “some of the key beneficiaries of the rising prices, most of whom were also leading members of the then ruling National Democratic Party.”<sup>9</sup>

Meanwhile, the vast majority of entrepreneurs in Egypt operate microenterprises. Data from the International Development Research Centre suggests that 80 percent of Egyptian businesses have less than three staff members. Crucially, most operate outside the formal sector, as documented by economist Hernando de Soto, and thus have been chronically excluded from the impact of legal changes to the business environment. The split between formal and informal businesses is likely to remain a potential source of tensions.

Corruption remains a problem at all levels of society. Egyptian films from recent years frequently

portray the stock characters of a bribe-seeking policeman and a corrupt businessman, while the best-selling novel, *The Yacoubian Building*, by influential author (and Kefaya supporter) Alaa Al-Aswany highlights the linkages between political and economic corruption, as well as emphasizing the issue of inequality in the portrayal of all the residents of a single building, from the well-off to those that sleep on the roof. The pervasiveness of depictions of corruption in popular culture highlights the widespread perception of corruption. Concerns about corruption and economic inequality are widely shared, including among entrepreneurs, and began to be voiced in recent years, albeit quietly, at business conferences such as the annual Euromoney Egypt conference.<sup>10</sup> By 2010, some of the businesspeople who had previously been enthusiastic about Gamal Mubarak and the economic reformers associated with him were far more downbeat.

### **Libya**

In Libya, the private sector manages a smaller proportion of the economy than in Tunisia or Egypt. Libya’s economic structure is very different from the other two cases, as it combines a small population with extensive natural resources. Before the uprising, the country produced 1.6 million barrels of oil per day, against a population of 6.3 million (at an oil price of US\$100/barrel, the sector’s gross income would average some \$25 per person per day). The dominant oil sector provides few jobs directly, but oil revenues have been used to fund large-scale state employment. Roughly two-thirds of the workforce — estimated at 1 million people — are employed by the state, while

<sup>7</sup> GAFI Board of Trustees, *A Just Distribution for the Fruits of Growth*, Special Report 2009.

<sup>8</sup> T. Osman, *Egypt On The Brink: From Nasser To Mubarak*, Yale University Press, revised edition 2011.

<sup>9</sup> *Ivi*.

<sup>10</sup> See, for example, the report from Euromoney’s 2010 conference, available at [http://backoffice.euromoneydigital.com/downloads/v2/152/EGYPT\\_SEPT/Panel%201\\_28sept10\\_edited\\_12Oct2010%20%282%29.pdf](http://backoffice.euromoneydigital.com/downloads/v2/152/EGYPT_SEPT/Panel%201_28sept10_edited_12Oct2010%20%282%29.pdf)

just 600,000 people work in the private sector.<sup>11</sup> Rather than an example of a crony capitalist system, Gaddafi's regime can be seen as an example of a rentier state (as characterized by Luciani and Beblawi)<sup>12</sup> or a "distributive state" (as characterized by Vanderwalle).<sup>13</sup>

The limited development of the private sector reflects both the statist approach to development pursued by Colonel Muammar Gaddafi for most of his rule and the international sanctions that were imposed from the 1980s onwards.<sup>14</sup> Gaddafi started to nationalize the assets of foreign oil companies in 1973, a year after Iraq nationalized its main oil company (this was part of a regional trend, linked to post-World War II decolonization and exacerbated by the increase in oil revenues in the early 1970s, which led oil producers to call for a greater share of income from the sector).<sup>15</sup> Many private companies were closed down in the 1970s and 1980s. In 1978, the state became Libya's sole importer, through a policy that was deliberately designed to reduce the number of merchants and to undermine the traditional power of Libya's trading elites.<sup>16</sup>

<sup>11</sup> *Doing Business In Libya, UK Trade and Investment*, 2010, available at [http://www.secbe.org.uk/documents/doing\\_business\\_in\\_libya\\_guide2.pdf](http://www.secbe.org.uk/documents/doing_business_in_libya_guide2.pdf)

<sup>12</sup> H. Beblawi and G. Luciani (eds.), *The Rentier State*, Routledge, 1987.

<sup>13</sup> D. Wandewalle, *Libya Since Independence: Oil and State-Building*, Cornell University Press, 1988.

<sup>14</sup> The United States started to impose economic sanctions on Libya in 1982, and, together with the EU, lifted all sanctions in 2004 after an agreement to dismantle the country's fledgling nuclear program. UN sanctions were introduced in 1992 over the Lockerbie bombing and were suspended in 1999 after Libya handed over suspects in the case; they were cancelled in 2003 after an agreement on compensating victims.

<sup>15</sup> Fifty-one percent of the assets of nine oil firms were nationalized in 1973 and the remaining assets of three oil firms were nationalized in 1974.

<sup>16</sup> M. Deeb, "Radical Political Ideologies and Concepts of Property in Libya and South Yemen," *Middle East Journal*, Vol. 40, No. 3, Summer, 1986, pp. 445-461.

After the lifting of sanctions in 2003 and 2004, Libya sought to increase the role of private investment, especially foreign private investment. While not in need of capital, it sought transfers of technology after years of international isolation. In 2010, the government passed numerous new laws designed to promote business, even including a flat tax, although these were only beginning to be implemented when the uprising came.<sup>17</sup> Such policies would seem to be at odds with the socialist ideology originally propagated by Muammar Gaddafi, and it is quite possible that his gradual abandonment of some of the key aspects of his early ideology — socialism and anti-imperialism — was a factor that contributed to his delegitimization, although this needs to be researched further.

### Entrepreneurs in the Uprisings

Entrepreneurs do not constitute a single, defined interest group in any of the three countries. In particular, there are significant class distinctions between wealthy entrepreneurs operating in the formal sector and the majority of micro-entrepreneurs who operate informally and seek to avoid direct dealings with government. There are also considerable political differences between private sector "insiders," i.e., those close to the previous regimes, and "outsiders." While it paid to be politically loyal, wealth was not necessarily correlated with support for the regime, especially in the case of businesspeople who made their money largely independently of government support — often the case for diaspora businesspeople.

Entrepreneurs' attitudes to the uprisings can be divided into three broad categories: those that opposed the uprisings (particularly established

<sup>17</sup> There remained many barriers to entry for private businesses. A participant at a 2011 Chatham House conference described their experience working in Libya as follows: "Setting up my company in the U.K. took one week and cost £20. We looked into possibility of setting up a branch in Libya but it would have cost £300,000 and would have required ten local Libyan shareholders."

business elites that saw themselves as benefitting from the existing regime, or who believed the existing regime was at least better than any of the likely alternatives), those that supported the uprisings (particularly those whose income did not depend on state favors or privilege, or those that saw themselves as losing opportunities owing to corruption and inequality), and those that sought to hedge their bets in order to be able to survive, or indeed profit from, either outcome. Following the changes of government, many businesspeople are trying or will try to reinvent themselves retrospectively as supporters of the change. Beyond the question of attitudes to the transition, entrepreneurs have a wide range of political views and are represented in a variety of both Islamist and liberal parties contesting elections in Egypt and Tunisia.

Both the Egyptian and Tunisian uprisings saw broad, multi-sector, and multi-class coalitions forming in opposition to the existing rulers, with businesspeople, activists, trade unions, professional organizations, and other groups uniting behind a single basic demand for a change of leadership, while articulating a range of other demands on which there was less of a clear consensus. Entrepreneurs did not organize themselves to participate as entrepreneurs per se, but some played an important role as individuals. In Egypt, the growth of privately owned traditional and new media organizations also seems to have played a significant role. But the different track records of the media in Egypt and in Tunisia highlight the impossibility of generalizing about the role of private media as a counterweight to state media, as much depends on the degree to which private media owners are sympathetic to or co-opted by the state. Organized business associations do not seem to have played a significant role in the transitions to date, though they may become increasingly active in an attempt to influence the ways in which the new governments develop economic policy.

Entrepreneurs seem to have been less prominent in Libya, the only significant oil exporter of the three. This is hardly surprising, as the private sector has been stifled to a far greater degree, with the vast majority of the workforce working for the state and with significant barriers to entry for private companies, although Muammar Gaddafi's regime had embarked on a project to liberalize the economy to a limited extent. Libyan professionals — both long-time residents and members of the diaspora — have played an important role in the uprising and in the transitional administration, but lawyers and academics figure more prominently than entrepreneurs in the leadership of the National Transitional Council (NTC).

#### **Tunisia**

The Tunisian uprising is generally regarded to have begun with the now famous story of Mohammed Bouazizi, a young man who worked in the informal sector, selling vegetables from a cart in Sidi Bouzid. According to the commonly accepted version of events, Mr. Bouazizi's cart was confiscated by police who slapped him and humiliated him. Subsequently he committed suicide by setting himself on fire. The story resonated, and became the catalyst for a wave of protests across Tunisia. There were even copycat self-immolations in Egypt, Mauritania, and Syria. Clearly, many were able to identify with the hopelessness experienced in the face of economic exclusion and police brutality. The president of the World Bank, Robert Zoellick, described Mohammed Bouazizi as a frustrated micro-entrepreneur in a system with many barriers to entry,<sup>18</sup> though some others have objected to this as an attempt to appropriate him as a would-

<sup>18</sup> In an interview with Reuters Newsmaker in April, available at <http://blogs.reuters.com/trnewsmaker/2011/04/06/full-transcript-of-robert-zoellick-newsmaker/>. This followed a speech that also mentioned Bouazizi: R. Zoellick, "The Middle East and North Africa: A New Social Contract For Development," Speech given at The Peterson Institute for International Economics, April 6, 2011, available at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22880264~pagePK:34370~piPK:42770~theSitePK:4607,00.html>

be capitalist icon.<sup>19</sup> As in Egypt, the Tunisian uprising had a wide social and economic base, and included people with a broad range of views on politics, the economy, and religion, who were (perhaps temporarily) united by a shared desire to change a ruler who had been president longer than most of them had been alive. For some of those, Bouazizi could represent an entrepreneur stifled by a bureaucratic and cronyist system; for others, he could be an example of poverty or the victim of police brutality.

There is a fairly broad consensus that Tunisian capitalism was too cronyistic, but there is less consensus about the future direction of economic policy and there are significant tensions over wages and labor relations. In December 2011, Moncef Marzouki, Tunisia's new president, asked for a six-month moratorium on strikes and sit-ins after a wave of industrial action that was concentrated in the phosphate-rich but impoverished southwest of the country. The government said in December that a Japanese cable manufacturer, Yazaki, would close its factories — employing a total of 2,200 people — because strikes had repeatedly disrupted production.

### **Egypt**

By 2011, a wide variety of groups were disillusioned with the Mubarak regime — but for different reasons; leftists and trade unions saw it as too capitalist, while liberal businesspeople believed it had not liberalized the economy enough. It appears that the growth of a middle class that saw increasing economic opportunities but was excluded from the business elite was one of the factors behind the uprising in Egypt. Middle-class professionals and entrepreneurs were among the protestors in Tahriri Square; as Osman notes, they were not anti-business, but anti-cronyism. As in

<sup>19</sup> I. El Amrani, "On Offensive Appropriations of the Arab Spring," blog post at [www.arabist.net](http://www.arabist.net), April 14, 2011, available at <http://www.arabist.net/blog/tag/bouazizi>

Tunisia, the cross-class coalition that backed the uprising may increasingly divide over issues of future economic policy, especially the distribution of wealth and labor relations.

A number of entrepreneurs have spoken about their support for the uprising. Ziad Aly, a former director at Vodafone Egypt, who started his own company, ZMS (an information and entertainment portal for mobile phones) in 2010 and was among the protestors in Tahrir Square, has said that the "determination, flexibility, [and] ability to really work with ambiguity" on the part of entrepreneurs who participated in the protests was a major factor behind their success in the early days.<sup>20</sup> Mohammed El-Beltagy, co-founder of Peerialism, a Switzerland based software company, wrote a week before Mubarak's overthrow that he had initially thought protestors' demands for a minimum wage were economically naïve, but that he came to support the uprising after visiting the protestors and witnessing the brutality of security forces.<sup>21</sup>

Perhaps the most prominent entrepreneur in the uprising was Wael Ghonim, a Google executive who runs a number of social enterprises. Ghonim was an administrator of a Facebook group, "We Are All Khaled Said," set up to publicize the issue of police brutality after a young Alexandrian blogger was beaten to death in the street by police in 2010. Through the Facebook group, he was one of the activists who used social media to organize

<sup>20</sup> Interview at The Deal Pipeline, posted July 7, 2011, available at <http://www.thedeal.com/video/regulation/alzward-mobile-services-compan.php>

<sup>21</sup> M. El-Beltagy, "Revolution In Egypt," blog post dated February 3, 2011, republished in *The Chronicles*, Summer 2011, American University of Cairo Economic and Business History Centre. He also wrote: "I come from an upper class background with plenty of 'connections' to the rich and powerful... On January 25<sup>th</sup> my bubble burst open. It was as if a platform of interaction to all was opened and millions couldn't wait to join in. I felt for the first time that Egypt is much more than my country of residence or a national soccer team worth cheering for."

protests. In late January, amid the protests, Ghonim was secretly arrested and held in incommunicado detention for several days. This treatment was hardly unusual, but his identity as a prominent, young, internationally networked, English-speaking entrepreneur meant that his arrest made international news. His last tweet before his disappearance was in English: “Pray for Egypt. Very worried as it seems that government is planning a war crime tomorrow against people. We are all ready to die. #jan25.”<sup>22</sup>

Ghonim’s contacts in international entrepreneurial networks helped to publicize his situation. Google asked the Egyptian public to provide any information that could help find him. His disappearance also prompted an Egyptian IT consultant based in Canada, Tamer Salama, and a Lebanese tech entrepreneur, Samer Karam, to set up a website to crowd-source information about Egyptians that had gone missing during the uprising.<sup>23</sup> The case of the missing Google executive drew particular attention from U.S. and other Western media outlets that would not have paid the same attention to a missing trade unionist or Muslim Brotherhood member. Thus, for instance, a May 2011 article in *The New York Times* claimed:

*Mr. Obama’s advisers say he decided to push for President Hosni Mubarak’s exit early on, against the advice of aides, after watching Mr. Mubarak’s defiant televised address... . Even then, they said, he feared that the dreams of young activists, like the Google executive Wael Ghonim, would be let down by the fitful transition to democracy. One of his aides said that... the president said: “What I want is for the kids on the street to win and*

*for the Google guy to become president. What I think is that this is going to be long and hard.”*<sup>24</sup>

Whether or not this was an actual discussion, or a version of events rewritten to elicit sympathy from the readers, the narrative highlights the symbolic importance of Mr. Ghonim as a sympathetic face of the uprising for an outside world still harboring doubts about Egyptian democracy. Mr. Ghonim himself, however, has been at pains to point out that his own role in the uprisings was limited. Meanwhile, Western media accounts have probably underestimated the role of trade unions and leftists groups in organizing the 2011 protests and in building momentum for dissent and protest in the preceding years.

Within Egypt, too, Ghonim was a palatable symbol of the uprising for the middle class, the business community, and a generation of parents that were anxious about their children going to Tahrir Square. An interview he gave to a private-sector TV channel, Dream TV, on February 7, 2011, was widely cited as helping to shape public opinion in favor of continuing the uprising, shortly after President Mubarak had made an emotional speech promising to stand down by September. Anecdotal evidence suggests that the president’s speech was received with some sympathy from parts of the public, particularly the older generation who still remembered his early days as a war hero. Dream’s interview with Ghonim was broadcast live immediately after Ghonim’s release from prison, and after the presenter screened images of “martyrs” killed by the security forces, the young man broke down in tears and fled the studio.

Dream TV offers an interesting case study of a private enterprise that managed to challenge the government despite significant pressure. Until 2001,

<sup>22</sup> See <http://twitter.com/#!/ghonim/status/30748650980249600>

<sup>23</sup> “Using Crowds To Find The Missing,” *Wall Street Journal* blog, February 1, 2011 available at <http://blogs.wsj.com/dispatch/2011/02/01/using-crowds-to-find-the-missing/>

<sup>24</sup> M. Landler, “Obama Seeks Reset In The Arab World,” *New York Times*, May 11, 2011, available at <http://www.nytimes.com/2011/05/12/us/politics/12prexy.html?pagewanted=all>



the broadcasting media sector was monopolized by the state. Ahmed Bahgat, a prominent businessman who owns the diversified Bahgat Group, founded Dream as the first private broadcaster (albeit with a 10 percent stake owned by the state) in 2001. The following year, the station began to receive warnings from the government, after a series of controversial broadcasts, including one that criticized the notion of hereditary succession. The dismissal of several prominent and outspoken presenters in 2003 indicated that the government was able to exercise pressure on the channel, despite its relative independence: as a major businessman, Bahgat had a lot to lose, and the government had the ability to damage his business and (through state dominance of the banking sector) his credit status.<sup>25</sup> Despite this lack of full independence, Dream became an important outlet for critical voices during the uprising, illustrating the existence of some room for maneuver within a heavily controlled political structure.

### **Libya**

Entrepreneurs also had a role to play in Libya's uprising. Although the private sector is far smaller (both in absolute terms and as a proportion of the economy) than in Libya and Tunisia, a number of wealthy businesspeople — especially in the east of the country — were strongly opposed to the Gaddafi regime, which offered few opportunities for business and which was perceived to be responsible for the relative economic marginalization of the east. Both Benghazi, where the uprising began, and the third largest city, Misrata, are traditional centers for trade. Businesspeople appear to have been an important source of financing, helping the east to function when resources from the central government were cut off. Some deliberately directed their resources to support the uprising, others simply carried

out trade (including black-market activity from gold-smuggling to people-trafficking and weapons-dealing) that happened to help bring revenue into a region suddenly starved of oil income.<sup>26</sup> Either way, the need for the opposition to control territory and run services meant they depended on the support of businesspeople in a way that was never the case in Egypt or Tunisia — although, overall, lawyers and academics were more prominent than businesspeople in the opposition leadership.

The efforts of Mohamed Raied, the chairman of Al-Naseem Dairy, highlight the importance of having independent sources of income to sustain people in opposition-held areas at a time when the state cut off resources and services for political reasons. Al-Naseem is one of the larger private firms in Libya, employing an estimated 1,000 people. In June 2011, Raied chartered a passenger ferry to create a temporary transport link between Benghazi, where the uprising started, and Misrata, which was then besieged and isolated. Mr Raied told Al-Jazeera that he had rented the vessel for 14 days — at a cost of more than \$50,000 per day — to take injured people who had been treated in Benghazi back to their homes in Misrata, along with medics, a field hospital, and other supplies.<sup>27</sup> He reportedly also shipped food, gas, and weapons supplies to Misrata and paid for war-wounded to be taken from Benghazi to Tunisia for medical treatment at a cost of \$20,000 per flight.<sup>28</sup> In a November 2011 interview, he said business would be better without “the one-man show of Gaddafi,” which

<sup>25</sup> This is explained in detail in M. Fandy, *(Un)civil War Of Words: Media And Politics In The Arab World*, Greenwood Publishing Group, 2007.

<sup>26</sup> R. Wigglesworth, “Illicit Benghazi Gold Trade Supports Rebels,” *Financial Times*, May 16, 2011, available at <http://www.ft.com/cms/s/0/17f7346c-7fda-11e0-b018-00144feabdc0.html#axzz1icJr9RE>

<sup>27</sup> R. Sherlock, “Cruise ship of hope sails for Misrata,” *Al-Jazeera.com*, May 28, 2011, available at <http://www.aljazeera.com/indepth/features/2011/05/2011528144520326964.html5/29>

<sup>28</sup> N. Carey, “Libya’s Wealthy Use Cash To Take Fight To Gaddafi,” Reuters, July 11, 2011, available at <http://www.reuters.com/article/2011/07/11/us-libya-misrata-businessmen-idUSTRE76A3A420110711>

had been corrupt and which had changed the rules arbitrarily, and he said he would make investments designed to triple his company's output.<sup>29</sup>

A Reuters article describing Mr Raeid's efforts also cited fellow Misrata businessmen, Mahmoud Mohammed Askutri, the owner of a construction company, and Fauzi Ibrahim Al Karshaine, the owner of a hotel and a granite company, as examples of wealthy individuals who were funding rebel militias — adding a whole new dimension to the power of the private sector as, unlike in Egypt and Tunisia, the Libyan state's monopoly on force collapsed.<sup>30</sup> By some estimates, there were around 300 rebel militias in Libya, and disarming them will be one of the key challenges for the country's transition.<sup>31</sup> The persistence of at least some private militias cannot be ruled out but would depend on them being able to obtain financing from wealthy sponsors.

Entrepreneurs in Libya's diaspora also helped to garner international support for the uprising. For instance, Abdulla Boulsien, a London-based Libyan businessman who co-founded Tuarag Capital, a private equity firm focused on North Africa, joined members of the National Transitional Council (NTC) to meet with the Portuguese foreign minister in August. Boulsien told *Middle East Economic Digest* after the fall of Gaddafi that he saw investment opportunities as “about five times better, given the NTC's focus on transparency and

accountability.”<sup>32</sup> A broad range of Libyan diaspora professionals (including doctors, lawyers, and academics as well as businesspeople) have also set up NGOs to help initially with humanitarian needs and subsequently with training and capacity-building, such as the World Medical Camp for Libya and Lawyers For Justice for Libya, the latter formed by a group of eight expatriate Libyan lawyers based in the United States, the United Kingdom (U.K.), France, Spain, and the United Arab Emirates (UAE).

### Entrepreneurs in the Transitions

The mass movements of the North African uprisings represented a significant challenge to the dominance of the political and economic scene by small political and business elites, headed by the rulers and their privileged families. If the demands of these uprisings are to be met, new governments will need to move away from the cronyistic approach of the past, tackle corruption and nepotism, and take a fairer approach to distributing economic resources and opportunities. Such moves could potentially benefit a more broadly-based range of entrepreneurs. One issue is that demands for fairness and social justice will inevitably be interpreted in a number of diverging and competing ways. Those that are primarily concerned with greater equality of income and wealth may see an expanded role for the state in distributing these resources. Others will advocate a greater focus on equality of opportunity, in which case the state's responsibilities would be more concerned with better access to education, information, business opportunities, licenses, land permits, and so on, with the aim of creating a level playing field for business, while allowing for levels of income and wealth to vary significantly.

<sup>29</sup> K. Laub, “Libya's New Leaders Bet On Economic Diversity,” Associated Press, November 10, 2011, available at <http://news.yahoo.com/libyas-leaders-bet-economic-diversity-191020561.html>

<sup>30</sup> N. Carey, *op. cit.*

<sup>31</sup> *Libya: Policy Options For The Transition*, Chatham House workshop report, Chatham House Middle East and North Africa Programme, August 2011, available at <http://www.chatham-house.org/publications/papers/view/177753>

<sup>32</sup> P. Salisbury, “Doing business in the new Libya will take time,” *Middle East Economic Digest*, October 23, 2011, available at <http://www.meed.com/sectors/economy/doing-business-in-the-new-libya-will-take-time/3112502.article>

Entrepreneurs are more likely to fall into the latter category.

Creating a more level playing field is easier said than done: for years, Arab governments have paid lip service to the need to foster entrepreneurship and support small and medium enterprises (SMEs), but despite a growing body of research on the barriers to entrepreneurial activity in the Middle East and North Africa, there has been a lack of political will to address these barriers. It is likely that this lack of political will reflects regimes' wariness of the role that independently wealthy entrepreneurs can play in politics and society. After all, criticism and dissent are less risky for those whose income does not depend on the favor of the government. It is by no means certain that the new governments will fundamentally change economic structures. On one hand, they may learn from the failures of previous regimes that more attention has to be paid to the issue of social justice. On the other, they may be tempted to use the same old tools of patronage and control — especially in Libya, where oil rents provide significant resources for patronage.

Thus far — albeit still in the very early days of the transitions — there has been virtually no structural economic change in any of the three countries. There have been no dramatic reversals in the direction of economic policy. The economic position of entrepreneurs per se has not really changed, although some specific entrepreneurs have lost former positions of privilege as a result of political changes (particularly in Egypt, where there have been some significant corruption trials, but not yet a serious reform of institutions dealing with corruption and transparency). Conflicts will emerge between large and small entrepreneurs, and between entrepreneurs and the labor movement, over the degree and the form of economic reform. In Egypt in particular, there is a widely reported sense of “anti-business” sentiment, as many people

associate business with corruption and with the previous regime.

The picture will remain complex as ongoing political changes disrupt existing business and economic relationships. However, there will also be areas of continuity as some of the businesspeople that were successful under previous regimes will seek to reinvent themselves and develop new relationships with newly empowered political players.

A number of prominent businesspeople have entered politics in Egypt and Tunisia, both of which have now held their first post-uprising elections. These do not yet represent the whole sweep of entrepreneurs operating in these countries, but rather tend to represent those that are relatively well-established and educated.

#### **Tunisia**

Entrepreneurs have supported a range of different parties — both secular and Islamist — in Tunisia's elections. There is anecdotal evidence that businesspeople from the tourism and media sectors tended to be more inclined to support the secular Democratic Progressive Party, perhaps reflecting concerns that an Islamist-dominated government would introduce new social restrictions that would curb business in their sectors. At the same time, the Islamist An-Nahda party, which was the single most popular party in the election, sought to portray itself as business-friendly and as keen to promote foreign investment.

The elections highlighted the importance of the 1 million-strong Tunisian diaspora, which includes numerous entrepreneurs, reflecting years of brain drain caused by a shortage of economic opportunities at home. Most Tunisians who study abroad do not return to their home country, working instead for European companies or

starting their own businesses in Europe.<sup>33</sup> Some are now keen to return to play a role in the “new” Tunisia. Indeed, Rachid Ghannouchi, the leader of An-Nahda, the party that won the largest number of votes in the October 2011 election, had previously been resident in the United Kingdom for 22 years. Another party, Aridha Chaabia (People’s Petition for Freedom, Justice, and Development), was founded by a London-based businessman, Mohammed Hechmi Hamdi, a former An-Nahda member who split from the group in the 1990s and was later seen as a supporter of Ben Ali. Hamdi founded two London-based Arabic-language television channels, the Independent and the Democratic Channel. His party withdrew from the election after it was announced that six of his candidates would be disqualified owing to alleged election-financing irregularities.

Another media enterprise that has sought to reinvent itself is Nessma TV, majority-owned by Tarek ben Ammar, a nephew of former president Bourguiba. A 25 percent stake in Nessma is also held by Italy’s MediaSet, owned by former Italian Prime Minister Silvio Berlusconi. Originally seen as pro-regime, this private station was the first Tunisian channel to report on the country’s protests in December 2010, and ben Ammar subsequently announced that he would produce a film celebrating the life of the martyr Bouazizi.

There is considerable scope for members of the diaspora to provide — and attract — investment into Tunisia. A group of U.S.-based expatriates founded the Tunisian American Young Professionals (TAYP) association in May 2011 to promote networking and investment between the

United States and Tunisia.<sup>34</sup> After meeting the U.S. president at the August 2011 White House iftar celebration, TAYP’s president, Mohamed Malouche, said:

*Americans... know that there will be an increase of transparency and rule of law in [Tunisia] which makes it a good atmosphere for investment... Tunisia could really become an investment platform for expansion in the African continent, Southern Europe, and other regions.*<sup>35</sup>

### **Egypt**

Entrepreneurs are represented in most of Egypt’s political movements, from liberal parties to the Salafists. Some of the country’s wealthiest businesspeople have entered politics this year, notably Naguib Sawiris and Ahmed Heikal, each of whom has founded a political party. Naguib Sawiris, the founder and owner of Orascom Telecom, is one of Egypt’s richest men, along with his brothers Nassef, the chairman and CEO of Orascom Construction Industries, and Samih, chairman and CEO of a tourism developer, Orascom Development Holdings. Orascom Construction was founded by their father Osni in the 1950s. Combined, the Orascom companies are the largest private employers in Egypt and Sawiris has claimed to be the country’s single largest taxpayer.<sup>36</sup> Sawiris co-founded a new party, the Free

<sup>34</sup> The group’s website says it focuses on three “poles,” namely investment (“building awareness on the investment potential of the New Tunisia”), advisory (“providing best practices to Tunisian companies, investment-promotion agencies, and chambers of commerce”), and networking (“to leverage the expertise of the professional diaspora to champion U.S.-Tunisian economic co-operation”). The group also plans a fund that would allow Tunisian expatriates to invest small amounts of money through Paypal into entrepreneurial projects in Tunisia.

<sup>35</sup> A. Medien, “Tunisian Mohamed Malouche Attends White House Iftar Dinner,” *TunisiaLive.Net*, August 25, 2011, available at <http://www.tunisia-live.net/2011/08/25/tunisian-mohamed-malouche-attends-white-house-iftar-dinner/>

<sup>36</sup> “New Egypt’s Rocky Road,” *Bloomberg*, October 30, 2011.

<sup>33</sup> K. Katterbach, *Tunisia’s Diaspora Policies — Supporting Integration in Host Countries and Mobilizing Resources for Home Country Development*, Deutsche Gesellschaft für Technische Zusammenarbeit, Office for German Public Sector Clients, March 2010.

Egyptians (*Hizb Al Masreyeen Al Ahrar*), in 2011. It is a secular, economically liberal party, aiming to counter the influence of Islamists while advocating more social programs to help poorer Egyptians. He opposed a proposal to increase capital gains tax in the summer, saying it would deter already scarce investment. A co-founder of the Free Egyptians party, Hani Sarie-Eldin said the party aims to reduce the poverty level to 10 percent in 10 years and to have a sustainable GDP growth of 7 to 8 percent.

The Heikal brothers, Ahmed and Hassan, are, respectively, CEO of the private equity firm Citadel Capital and CEO of the investment bank EFG-Hermes. Their father, Mohammed Hassanien Heikal, was an advisor to President Gamal Abdel Nasser. Ahmed Heikal co-founded the Justice party (*Hizb Al-Adl*, not to be confused with the Islamist Justice and Freedom party). One of the co-founders of Citadel, Hisham el-Khazindar, is another financial backer. This party takes a more socially conservative approach than the Free Egyptians party and essentially offers a non-Islamist alternative for social conservatives on the centre-right.

Entrepreneurs are also represented within the Muslim Brotherhood, which has a largely middle-class leadership that is unlikely to seek dramatic structural changes in the economy, although there could potentially be disagreements with other businesspeople over specific issues such as the availability of alcohol in restaurants and hotels. The other main Islamist faction — *An-Nour*, a Salafist party that is not allied with the Muslim Brotherhood — is a newer player with very little to say about economic policy. However, the party selected an entrepreneur as its spokesman during the election campaign: Mohammed Nour, who owns a software firm specializing in iPhone applications.

A number of young entrepreneurs have launched projects designed to encourage political and economic participation and debate. For instance, Ghonim and Aly are co-founders of Masrena, a project designed to foster and host political debate on platforms ranging from an online forum to a “Freedom Bus” that travels to rural areas and offers a mixture of healthcare, internet access, and open-mike sessions. Two Egyptian entrepreneurs currently working for much larger companies, Mohammed Gawdat of Google and Samer El Sahn of ESpace, have launched Tahrir2, a mentoring scheme to help young entrepreneurs develop new business models. More widely, there is a blossoming of activity in civil society and social enterprises that are beyond the scope of this paper but deserve further research.

Egypt’s military has significant business interests of its own.<sup>37</sup> It thus shares an interest with other businesspeople in maintaining economic growth, and in ensuring a measure of stability and security to enable investment. However, there is scope for conflict between the military and entrepreneurs when the latter represent potential business competition, or when the military imposes constraints and costs on entrepreneurs.

### **Libya**

Libya’s transitional government is an umbrella group whose members have very different views on issues such as the role of Islam and the role of the private sector versus the state, and very different backgrounds, from those that worked with the Gaddafi government until less than a year ago, to those that have spent their lives in exile. Interestingly, those from the diaspora are not necessarily more committed to the private sector than those who remained in Libya and worked for

<sup>37</sup> The actual share of the economy controlled by the military is unknown; estimates range up to a somewhat implausible 45 percent, highlighting the uncertainty and the lack of hard information that bedevils the economic policy debate in Egypt.

the regime. Some NTC members were previously closely aligned to Saif al-Islam al Gaddafi, Colonel Gaddafi's most prominent son, who favored a policy of economic liberalization. These include Mahmoud Jibril, chairman of the executive board of the NTC (he resigned as interim prime minister in October 2011). Indeed, in November 2011 it emerged that Mr. Jibril was investigating the possible resumption of a program of training and executive education for Libyan bureaucrats at the London School of Economics, which had been funded in part by the previous Libyan government. This is an intriguing indication of the potential for policy continuity in a country generally seen as having undergone far deeper changes than Tunisia and Egypt. Western businesses are already seeking to build relations with the NTC, which has so far appeared keen to encourage foreign investment.<sup>38</sup>

#### **Implications for Transatlantic Policy**

Western governments are seeking to channel new financial and technical support toward entrepreneurs in North Africa as part of their efforts to support the political transitions there. The high rates of unemployment, particularly among the youth in a region with a major youth bulge, have been almost universally seen as among the causes of the Arab awakenings.<sup>39</sup> There is renewed emphasis among policymakers on encouraging SMEs, which are the main providers of jobs in many economies.

While there is a clear need to strengthen the enabling environment for entrepreneurs, there are also questions about the political role of foreign

<sup>38</sup> For instance, the British foreign secretary, William Hague, said in a speech on parliament on October 13, 2011, that the Minister for Trade and Investment, Lord Green, had visited Libya with a British trade delegation in late September, and that there had subsequently been a conference in London on Libya for British businesses.

<sup>39</sup> However, there is no simple correlation between higher rates of unemployment and higher degrees of unrest, as there are multiple causes of unrest.

assistance, and although international financial institutions often prefer to regard themselves as politically neutral, offering support for entrepreneurs is also predicated on a number of assumptions about the kind of political economy that is desirable for the future of the transition countries. For instance, there is far less discussion of possible international assistance to trade union or co-operative movements, although the trade unions in particular were important players in the Egyptian and Tunisian uprisings.

The commonly shared demands in the uprisings were for greater “social justice” and “dignity” — broad slogans that will be understood and fleshed out in very different ways by different actors and interest groups. Helping people start up and expand their small businesses may help to improve the distribution of wealth. However, there may also be some suspicion that efforts to support entrepreneurs will be part of a bigger project to advance free-market capitalism, or “neo-liberalism” (a term used more by critics of the “Washington Consensus”), and that this is ultimately a drive to further Western business interests (for instance, by promoting privatisations and trade liberalisation policies that provide market opportunities to large, established Western companies with whom local producers cannot compete).

Policymakers need to be aware that U.S. and European assistance for entrepreneurs will have political, as well as economic, ramifications, and should not be seen as an apolitical or purely technical approach. More generally, Western policymakers need to be aware of a high degree of suspicion among many local actors about the political agendas underlying Western assistance, particularly in Egypt. This is an inevitable result of the history of Western support to the authoritarian regimes that have now been overthrown. Western governments and international institutions repeatedly praised the previous governments

of Egypt and Tunisia as economic reformists, and many had begun to praise Libya's fledging economic liberalization. Tunisia was the first Mediterranean country to have an Association Agreement with the EU ratified by all EU member states in 1998 on the basis of its EU-supported structural reform program. More recently, Egypt was repeatedly singled out by the World Bank and the International Financial Corporation (IFC) as one of the world's fastest-reforming countries in terms of the ease of doing business (as measured by the World Bank/IFC annual "Doing Business" index). It is thus perhaps not surprising that there is a degree of mistrust.

In one critique, Adam Haniyeh has argued that the plethora of international aid and investment initiatives "represents a conscious attempt to consolidate and reinforce the power of Egypt's dominant class in the face of the ongoing popular mobilizations. They do not in any way represent a break from the logic encapsulated in previous economic strategies for the region."<sup>40</sup>

While the first claim may be contentious, the second is less so. Policymakers have often been playing catch-up this year. While there is an acknowledged need to rethink assumptions about the region in light of the general failure to predict the uprisings, it is not at all clear that this has taken place yet. One issue that policymakers need to wrestle with is what happens to the twin approach of supporting economic and political liberalization if democratic governments choose less economically liberal models.

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<sup>40</sup> A. Haniyeh, "Egypt's 'orderly transition'? International aid and the rush to structural adjustment," *International Socialist Review*, Issue No. 78, July-August 2011, available at <http://www.isreview.org/issues/78/analysis-haniyeh.shtml>

# 3 THE ISLAMIST TRAJECTORY: FROM REPRESSION TO PARTICIPATION

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Political Islam has long represented one of the defining features of the contemporary Middle East. With the birth of the Muslim Brotherhood in Egypt in 1928, Hassan El-Banna laid the foundations of the *jama'ah's* religious, social, and political engagement with the state and society in Egypt. Since then, more than 85 branches have been created across the Islamic world, from Morocco to Indonesia. Political Islam has continued to diversify and develop depending on the different national and regional contexts. This trend toward growing diversification and pluralism has undergone an acceleration with the Arab popular protests of 2011. Until recently, however, political Islam was mainly perceived as a homogeneous force across the Arab and Muslim world in terms of goals and instruments. This perception derived mainly from the West's limited knowledge and engagement with movements and groups largely seen as radical and illiberal. Besides the ideological cleavages existing between the Islamists' values and goals and those of the West, the most significant barrier to engagement and cooperation has lain in the political and economic interests upheld by western governments in the countries of the region. The direct relationship between the EU, its member states, and the United States, on one hand, and the largely authoritarian regimes in North Africa, on the other, based on these interests contributed to making political Islam stand out as a threat for the Arab states and societies and eventually for the West as well. This is at the root of their marginalization or outright repression.

This deeply-held truth, or rather what the West, including Europe and the United States, regarded as the ultimate truth about political Islam, has been shattered by the Arab Spring and the ensuing processes of transition underway in the Arab countries since the beginning of 2011. From a condition of repression or co-optation, Islamist movements throughout the region have begun to assert their presence as political actors participating

in the country-specific processes that will ultimately define the new order in the Middle East.

The strengthening of the Islamist movements and the birth of new parties in North Africa has been accompanied by a growing fragmentation, or pluralism, both within the concrete manifestations of political Islam itself, which today encompass an increasingly wide spectrum of groups and claims, and at the level of interaction between the Islamist movements and parties and the other actors in the political arena in each country.

This paper will address the role of the Islamists as political actors in the transitions in North Africa. It will highlight the main trends regarding their participation in the debates and the processes underway in the region, trying to pinpoint the common features and the more country-specific elements that define their interaction with other actors, i.e, the remnants of the old regimes, the new political parties, and the military. Before delving into this issue, the paper will briefly touch upon the development of the Islamist movements and their interplay with the political regimes in North Africa in the decades leading up to the Arab Spring. Finally, it will put forth some conclusions from a transatlantic perspective, exploring changes in the perception of these movements, or the lack thereof.

## Islamist Movements and the Role of Islam in North African States and Societies

Islamism can be defined as any political movement inspired by Islam. The Islamic religious referent is translated into a means to achieve social and political goals, thus ultimately fulfilling the aim of changing and Islamizing the society and preparing for an Islamic government.<sup>1</sup> Starting from this broad understanding of Islamism, its

<sup>1</sup> On Islamism, see L. Guazzone, "Islamism and Islamists in the Contemporary Arab World," in L. Guazzone (ed.), *The Islamist Dilemma. The Political Role of Islamist movements in the Contemporary Arab World*, Ithaca Press, 1995.



actual declination throughout the decades and the different socio-political contexts has given rise to a rather static and fixed pattern of relationships between the mainstream instances of political Islam and the political regimes, from Morocco to Egypt. This does not mean that there has not been any evolution in the trajectory of the Islamic revival in the political arena in North Africa. For example, the 1970s and the 1980s in Egypt were marked by the emergence of a qualitatively different phase compared to the previous Nasserist age, and were, for example, instrumental in consolidating the Egyptian Muslim Brotherhood's non-confrontational attitude toward the Sadat and Mubarak regimes. In the words of a number of scholars and commentators, the Muslim Brotherhood developed a moderate and, to a certain extent, compliant approach toward the regime. Even if it was not recognized as a political party, the Egyptian Muslim Brotherhood chose to adhere to the highly restrictive rules set out by the regime and use all the available instruments, e.g., in the parliament and the municipal councils, to try to influence politics.<sup>2</sup>

The Egyptian Muslim Brotherhood remained stuck in this position, playing the role of the unauthorized opposition to the incumbent regime, until the fall of Mubarak. Given their position, the regime itself tried on different occasions to capitalize “on the Brotherhood's willingness to compromise and on its conservative social program, both to increase its own popular legitimacy, by allowing for some kind of mass opposition, and at the same time to marginalize the

secular opposition.”<sup>3</sup> The roller-coaster sequence of openings and harsh repression directed at the Brotherhood's members further cemented its unquestioned and almost institutionalized role as the only opposition to the regime, with the partial exception of a limited number of secular movements and parties equally not tolerated by the regime. In other words, the Egyptian Muslim Brotherhood, with its organization and its repertoires became the main opposition to the Egyptian political regime, even though it did not figure as a proper political party.

The situation in Egypt, the cradle of the influential Muslim Brotherhood, was matched by partially different trends in countries such as Morocco and Algeria. On one hand, after an initial phase in which the goal was to increase its mobilization capacities and improve its standing among Morocco's political actors, the Moroccan branch of the Muslim Brotherhood, the Justice and Development Party (JDP) was gradually co-opted by the political establishment centered around the figure of the King and, as of the 2007 legislative elections, has limited itself to playing the role of the king's opposition rather than the opposition to the king.<sup>4</sup> On the other hand, for at least two decades, the Algerian case has been heralded as the example par excellence of the risks embedded in the rise of Islamist parties through electoral processes. There were warnings against the potential threat of the so-called “Algerian scenario” prior to the elections for the Constitutional Assembly held in Tunisia

<sup>2</sup> See A. Hamzawy, M. Ottaway, and N.J. Brown, *What Islamists Need to be Clear About. The Case of the Egyptian Muslim Brotherhood*, Policy Outlook, Carnegie Endowment for International Peace, February 2007; and D. Pioppi, M.C. Paciello, E. El Amrani, and P. Droz-Vincent, *Transition to What: Egypt's Uncertain Departure from Neo-authoritarianism*, Mediterranean Paper Series 2011, The German Marshall Fund, May 2011, pp. 45-62.

<sup>3</sup> D. Pioppi, M.C. Paciello, E. El Amrani, and P. Droz-Vincent, *op. cit.*, p. 48.

<sup>4</sup> See E. Wegner and M. Pellicer, “Hitting the Glass Ceiling: The Trajectory of the Moroccan Party of Justice and Development,” in *Islamist Mass Movements, External Actors and Political Change in the Arab World*, A research report by Centro Studi di Politica Internazionale (CeSPI), the International Institute for Democracy and Electoral Assistance (International IDEA) and Istituto Affari Internazionali (IAI), 2010, pp. 23-48.

on October 23, 2011.<sup>5</sup> This is a clear indication of the fact that the Front for Islamic Salvation's (FIS) attempt to gain power through elections left a deep scar in the relationship between authoritarian regimes and the Islamists. Western actors, including the United States and the EU, have bought into this logic mainly for fear of the unknown, sometimes compounded by the often ambiguous stance and positions of the Islamist movements themselves on a number of crucial issues, such as individual freedoms, minorities, and women's rights.<sup>6</sup>

As a matter of fact, in the first decade of the new millennium, the role and acceptance of the Islamist movements in the political and social arenas have been framed within the more general debate about the role of Islam in society. The main cleavage thus ran between the secular regimes and the Islamist understanding of political discourse and practice, and little space was available for other forms of opposition. At the same time, the importance and power of mobilization of the Islamist movements, as well as the threat stemming from their radical nature were sometimes overblown by the incumbent regimes and the western public alike. The case of Egypt is illustrative of this situation. On the one hand, the Muslim Brotherhood was not able to put forth a clear-cut political alternative to Mubarak's regime. Despite its growing interest in participating in the political process since 2003 and in particular since its prominent gain of around 20 percent of the seats of the People's Assembly in the 2005 elections, the Egyptian Muslim Brotherhood has always been on the defensive and has mainly been a reactive, rather than proactive component of Egyptian society, thus establishing its role as a conservative force. On the other hand, centripetal trends had started to materialize even before the

opening of the transition phase after Mubarak's fall. The election of the new Guidance Bureau in early 2010 was one of the main turning points in this sense, the consequences of which have become particularly evident in the new phase. It is since that moment that the multifaceted and complex nature of the Islamist movement started to materialize in a growing gap between the old and new generations and between the conservatives and the reformists. The cycles of repression and opening toward the Islamists, and the highly restrictive domestic political scene had contributed to keeping the movement united until February 2011.

The transition phase set in motion since then has created new constraints and opportunities for the Islamist actors. These new conditions, markedly different in each country in light of the region's growing fragmentation,<sup>7</sup> represent the novelty brought about by the Arab Spring. Only by looking at the individual national cases is it possible to capture the full extent of the novelty of the political landscape that is emerging, including the role of the Islamists. Even though they may, in many respects, be considered old actors in the North African political arenas, their political role is bound to change completely as a result of the transformations underway. The first important signs of these transformations are already visible.

The popular uprisings that led to the removal of the regimes of Ben Ali, Mubarak, and Gaddafi attest to the emergence of another form of mobilization that has challenged both autocrats and (religious) extremism throughout the region. The revolts and the mass demonstrations staged in Egypt, Tunisia, and Morocco have not been initiated by

<sup>5</sup> See E. Churchill, *Putting Tunisian Democracy to the Test*, The Middle East Channel, Foreign Policy, October 17, 2011, available at [http://mideast.foreignpolicy.com/posts/2011/10/17/putting\\_tunisian\\_democracy\\_to\\_the\\_test](http://mideast.foreignpolicy.com/posts/2011/10/17/putting_tunisian_democracy_to_the_test).

<sup>6</sup> See A. Hamzawy, M. Ottaway, and N.J. Brown, *op. cit.*, p. 4.

<sup>7</sup> Alongside the increased fragmentation of North Africa, with each country moving along its own path of transition and at a different speed, the victory of the Islamists parties in the parliamentary elections in Tunisia, Morocco, and Egypt, represents an emerging unifying feature for North Africa. See N. Tocci, *State (un)Sustainability in the Southern Mediterranean and Scenarios to 2030: The EU's Response*, MEDPRO Policy Paper No.1, August 2011.

the Islamist movements. Rather they have seen the participation of a heterogeneous group of people in terms of class, educational and social backgrounds, and religious affiliations. This contrasts strikingly with the kind of demonstrations throughout the Arab world that drew the overwhelming participation of Islamist movements during the 1990s and early 2000s, mainly associated with the Palestinian struggle. That the Islamist movements were not among the triggering forces of the popular upheavals in North Africa does not downplay the fact that some of their members actively participated in opposing the incumbent regimes. Yet in Egypt, the split between the old generation of the Muslim Brothers and the new one has deepened. While the former group has only timidly lent support to the contestation of the Mubarak regime, the latter has joined the revolts along with the tech-savvy youth of Tahrir Square who have been the protagonists of the Arab Spring. The multifaceted identity of what was sometimes understood and defined as a homogeneous group has thus come into the limelight. Multiple identities characterize the members of the Islamist movements from the generational, social, and economic standpoints, and this in turn has influenced the participation, or lack thereof, of the Islamist movements in the Arab revolts.

In the aftermath of the upheavals and protests in the Arab world, the Islamist movements and parties appear to be the net winners, emerging as the key political actors in Tunisia, Morocco, and Egypt. The elections that took place in these North African countries in the last quarter of 2011 confirmed this result, which will be examined in greater detail in the next section. Looking for an explanation of this trend, it could be argued that it is the result of the Islamists' more effective organization and better mobilization capabilities as compared to the secular movements and other parties, perhaps making it a short-to-medium-term outcome, easily reversible as the transitions unfold. This general argument can

be qualified in the different national contexts, each of which presents a particular set of constraints and opportunities to the Islamists' involvement in politics. With regard to the new forms of youth mobilization, thoroughly described by Paola Caridi in her contribution to this report, a preliminary conclusion to date is that, despite the prominent role of the new communication technologies as tools and message carriers in the streets and squares of North Africa, more traditional forms of organization still play a dominant role in the articulation of political demands.

### **Toward a Growing Pluralism of Islamism in North Africa**

The wave of uprisings that has engulfed North Africa has contributed to lifting the veil on the Islamist movements and shedding a different light on the dynamics surrounding their participation in power. Since the beginning of the transitions in Tunisia and Egypt, in particular, and with the electoral victory of Islamist parties in Tunisia, Morocco, and Egypt, they have been acclaimed as the uncontested winners of the mass mobilizations. While it is undeniable that Islam is emerging as a powerful force in defining the new political order in the Middle East and North Africa, its importance and ability to shape the political outlook in the countries undergoing transition should not be over-emphasized.

As fully-fledged political actors now after decades of repression and co-optation, the Islamist movements across North Africa share some commonalities. First of all, one of the most remarkable transformations is that banned or weakly structured organizations have strengthened or turned into new political parties. This is a major step toward their active participation in politics, but also brings with it a number of responsibilities and burdens.

The experience of *Ennahda* in Tunisia and the Freedom and Justice Party formed by the Muslim Brotherhood in Egypt are the two most prominent cases. By creating a political party that, in Tunisia, epitomizes and largely builds its consensus on the fact that it was uncompromised by the former regime, Islamist movements agree to abide by the (democratic) rules of the game that are being defined, to compete in elections, and to bargain with other political forces. The fact that *Ennahda* succeeded in securing only a relative majority, and thus has to strike a deal with other secular forces to govern, should be interpreted not as a weakness but as a positive outcome for the Islamist party itself, which has made it clear on different occasions that it is uninterested in ruling the country alone.<sup>8</sup>

The first rounds of the Egyptian parliamentary elections have also anticipated what will most likely be an overwhelming victory by the Muslim Brotherhood. However, the newly created Freedom and Justice Party has had to compete in the elections with other parties created out of the previous Islamist movement. The Muslim Brotherhood itself has split into at least two parties in addition to the Freedom and Justice Party that draws on the Brotherhood's organizational structures, i.e., *Al-Wasat* and the Egyptian Current Party (*Al-Tayyar al-Masry*). In addition, the Salafis, conservative radicals inspired by Saudi Arabia's puritan *Wahhabi* Islam, have also created a number of parties and have run in the elections with some success, after decades of disengagement from the Egyptian political scene. The existence of more political than ideological or doctrinal differences among these groups seems to indicate that "over the next decade, the most dynamic debate will be among the diverse Islamists, not between Islamist and secular parties. These political tensions will

play out as they vie to define Islam's role in new constitutions and then implement it in daily life."<sup>9</sup>

A second aspect related to the emergence of the Islamists as new political actors concerns the fact that they are now able to, and to a certain extent have to, articulate their demands and claims. Some of these claims have come to the fore and cannot be disregarded by whatever government takes power. Yet, the Islamists' capacity to reconcile them with existing structures and policies and to enshrine them in the constitutions that will be written over the next year should not be taken for granted. Despite their proven record of efficient organization with widespread religious and proselytizing networks, particularly in Egypt, political Islam is not as popular as the West makes it out to be. The many different voices that have expressed the desire for a different kind of polity, the end of corruption, and the promotion of pluralism from Casablanca to Cairo do not necessarily recognize themselves in the Islamist alternatives. The political scene has certainly become more pluralistic and although some of the new secular movements and parties are still embryonic, they are likely to become more and more competitive over the next few years, thus subtracting votes from the Islamists.

Another related issue is that the vast majority of people who were active in bringing down the authoritarian regimes of Ben Ali, Mubarak, and Gaddafi are not willing to replace them with religious theocracies. The long heard slogan "*Al-Islam hua al-Hall*" (Islam is the solution) has not resonated much in Tahrir Square or elsewhere. What people want is jobs and better living conditions. This is why the Freedom and Justice Party in Egypt and the Justice and Development Party in Morocco have emphasized their socio-economic commitments and anti-corruption

<sup>8</sup> See M. Muasher, "The Overblown Islamist Threat," *The New York Times*, November 2, 2011.

<sup>9</sup> R. Wright, "The Islamists are Coming," *Foreign Policy*, November 7, 2011, available at [http://www.foreignpolicy.com/articles/2011/11/07/the\\_islamists\\_are\\_coming](http://www.foreignpolicy.com/articles/2011/11/07/the_islamists_are_coming)

programs. Similarly, from the very beginning *Ennahda* in Tunisia has claimed to be willing to respect the separation of powers, citizenship-based rights, and women's rights. At the same time, the party has disavowed the label of "Islamist party," preferring to describe itself as a political party with an Islamic frame of reference. Whether this is just a move to please the West cannot be judged until the party actually starts to get involved in Tunisian politics.

In addition to dealing with these common dynamics, i.e., the need to carve out a place for themselves in a diversified political space and to compromise, the Islamist movements and parties post-Arab Spring are struggling to adapt to their national contexts. Much of their success or failure will depend on the complex interplay with other components of society and the state.

A number of differences stand out vividly when considering Tunisia and Egypt. In the former, *Ennahda* — which took nearly 42 percent of the vote in Tunisia's first post-revolutionary elections in October 2011 — has been influenced both by the experience of Rachid Ghannouschi, the party leader in exile in London and by the entrenched legacy of secularism imposed by the founding president Bourghiba and his successor Ben Ali.<sup>10</sup> The result has been the incorporation into its platform of both a French-style gender equality code — one of the most advanced in the region — and a liberal interpretation of Shari'a. In this light the often-invoked Turkish model could offer some clue to the trajectory of the Islamist party in Tunisia. As much as in Turkey, where the moderate ruling Islamist Justice and Development Party (AKP) is widely believed to have been tempered by the secular character of its antecedents, in Tunisia *Ennahda*

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<sup>10</sup> See A. Charai and J. Braude, "The Islamist Bloc?" *Foreign Policy*, November 4, 2011, available at [http://www.foreignpolicy.com/articles/2011/11/04/the\\_islamist\\_bloc?page=full](http://www.foreignpolicy.com/articles/2011/11/04/the_islamist_bloc?page=full)

seems to have been molded by and is committed to respecting the fabric of Tunisian society.

In Egypt, on the contrary, the multiplicity of Islamist parties and movements that have entered the political scene since Mubarak's fall have not evolved abroad but in an environment of repression and alienation bred by the former authoritarian regime. This, together with the fact that the Egyptian transition has been put under the trusteeship of the Supreme Council of the Armed Forces (SCAF), accounts for major differences with respect to the Tunisian case. Indeed, the relationship between the Freedom and Justice Party and the SCAF has become a matter of intense speculation since the main Egyptian Islamist party appears increasingly to be allied with the military in the attempt to steer the transition in the direction of controlled change. This dynamic already became clear during the initial stages of the transition when the Egyptian population was summoned to vote on March 19, 2011, in a referendum proposing amendments to the Constitution that paved the way for the parliamentary elections of late 2011/early 2012. On that occasion, the Islamist movements sided with the remnants of the old regime, in particular the recently banned National Democratic Party (NDP), against other forces that had participated in the revolts but still appeared to command little support and power.

Foreign policy will also represent a crucial test for the Egyptian Muslim Brotherhood, whereas it is not such a central issue in Tunisia's domestic politics. Particularly with regard to relations with the United States and Israel, the Freedom and Justice Party has been under increasing pressure to distance itself from the violent attacks directed at the Israeli embassy in September 2011 and from rumors and fears circulating in the West that the next Egyptian government will pursue the annulment of the Camp David Accords. While it is still too early to assess the direction of Egyptian foreign policy, given

the slow pace of the transition, it is important to remember the pragmatic approach adopted by the Muslim Brotherhood during the years of Mubarak's tenure and thus to question any assumptions of an emboldened anti-U.S. or anti-Israel turn in the next Islamist-oriented Egyptian government.

The Moroccan context, where some pluralism has been introduced especially since the accession to the throne of King Mohammed VI, provides another set of constraints and opportunities for Islamists. Although a full-fledged revolution has not taken place in the kingdom, a transition phase has begun following the referendum on the proposed Constitution reforms that were first put into practice in the early parliamentary elections held at the end of November 2011. Moroccan Islamists are unique. Here the main split runs between the officially recognized Islamist party, the JDP, and the banned Justice and Charity movement (*Al-Adl wa al-Ihsan*). The monarchy's success in co-opting the former has largely reduced its appeal among the masses of Moroccans who participated in the marches and demonstrations organized by the February 20 Movement. Nevertheless, the elections have been a great success for the JDP, in spite of some reports describing the loss of consensus of moderate Islamists among the electorate mainly due to the proliferation of other political parties fostered by the monarchy and the high rate of abstention among Moroccans living in the cities where the JDP has most of its constituency.<sup>11</sup> In some respects, the JDP success can be considered a victory for the Moroccan monarchy, which has steered the top-down reform process, more than for the Islamist party itself, whose room for maneuver will still be constrained by the predominant political role played by the king. In the past, he has not refrained from playing the JDP off against the February 20 Movement

and the Justice and Charity Movement to exploit the ensuing competition to emerge as the absolute arbiter of Moroccan politics.

### **Europe, the United States, and the Islamists: What Room for Engagement?**

In light of the changes taking place in the region, what are the United States' and the EU's responses in terms of engagement with the Islamist movements and parties? Once regarded as a monolith, political Islam is re-emerging throughout North Africa as a far more articulated and diversified phenomenon, interacting differently with the processes and actors of the transition in the different national contexts. After years of limited contacts and mistrust, mainly dictated by a lack of knowledge and fear of the Islamists in a securitized environment in which anti-terrorism cooperation with the authoritarian regimes was the main objective, the transatlantic partners need to develop a strategy of engagement with the new Islamist parties and movements from scratch, moving from the assumption that they will become important political actors in the short-to-medium term. With the disappearance of Ben Ali's, Mubarak's, and Gaddafi's regimes, a first obstacle to the development of a more genuine relationship between the United States and the EU, on one hand, and the Islamist movements, on the other, has been removed.

During the first decade of the second millennium, the United States and the EU witnessed the rise to power of Hamas and Hizbollah through elections. This sent shock-waves through the region and contributed to further reducing the transatlantic partners' room for engagement with the Islamists. Although some contacts have continued to exist at the informal level, most of the United States' and the EU's policies aimed at promoting political reform through engagement with civil society

<sup>11</sup> See <http://www.hudson-ny.org/2536/moroccan-exceptionalism>.

deliberately excluded the Islamists.<sup>12</sup> The Arab Spring has completely changed the terms of the equation, revealing the fact that Hamas and Hizbollah are old actors with respect to those of the Arab Spring.

While struggling to make sense of and engage with the changes taking place in the region, the EU and the United States should consider the differences between the different countries more than the similarities, also with regard to the Islamists. Today, both the United States and the EU seem unprepared to deal with an Islamist revival. Although the first signs of such a revival, namely the Islamists' victories in Tunisia, Morocco, and Egypt, have not triggered a strong reaction against them from the transatlantic partners, it does not look as though there has been any major revision of the policies toward Islamist parties and movements. Indeed it does not look as though there is any policy at all toward them. For example, there is no mention of Islamist movements and parties in the EU's main document for the strategic revision of the European Neighbourhood Policy<sup>13</sup> and it is not clear whether the Islamists are to be included in the activities — in themselves not well defined — targeting civil society organizations in North Africa. As far as the United States is concerned, Secretary of State Hillary Clinton has cautiously reached out to the Islamists, claiming that the United States is willing to work with any individuals and parties provided they “uphold fundamental values, abide by the rule of law, and respect the freedoms of speech, religion,

<sup>12</sup> See R. Balfour and B. Cugusi, “EU Policy and Islamist movements: Constructive Ambiguities or Alibis?” in *Islamist Mass Movements, External Actors and Political Change in the Arab World*, a research report by Centro Studi di Politica Internazionale (CeSPI), the International Institute for Democracy and Electoral Assistance (International IDEA), and Istituto Affari Internazionali (IAI), 2010, pp. 169-186.

<sup>13</sup> See Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A new response to a changing Neighbourhood, European Commission, COM(2011) 303, May 25, 2011.

association, and assembly as well as the rights of women and minorities.”<sup>14</sup> While this reaction, as welcome as it may be, is fully in line with the fact that Tunisia is of little strategic value to the United States, the story could be different for Egypt, one of the United States' focal points in the wider Mediterranean and Middle Eastern region.

Against this backdrop, what the transatlantic partners should avoid is approaching the various North African transitions and the increasingly strong Islamist movements and parties with a one-size-fits-all set of policies. In other words, they should start to dispel the deeply-rooted notion that political Islam in North Africa is a homogeneous and undifferentiated phenomenon and that, as a consequence, there is only one way to engage with it, or better said, not to engage with it. It is only by acknowledging the distinctions and peculiarities of the different Islamist movements and parties and their interplay in the broader political arena of each North African country that the United States and the EU can hope to fully grasp the opportunities embedded in the current phase of transition and the full meaning of the emergence of the Islamist organizations as important political actors. Furthermore, the transatlantic partners should launch strategies of engagement distinctly targeted to each movement's or party's role in the specific national context. This means, for example, that engaging with *Ennahda* in Tunisia could help bridge the gap between the West and more radical groups in other countries, while it could be futile to adopt the same approach in the case of Libya, given the highly volatile and politically unstable situation in this country. Only in this way can the United States and the EU capitalize on the moderating effect that political inclusion could have on the Islamists.

<sup>14</sup> See <http://www.foxnews.com/us/2011/11/07/us-to-work-with-arab-springs-islamist-parties/>

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