

# The Development of Liberalism and What It Can Present to the Arab World in the Current Situation: Case Study on Jordan

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## Abstract

This research paper tries to discuss the development of liberalism and what it can bring to the Arab world. Moreover, it includes a case study on the results of the application of some aspects of social and economic liberalism in Jordan. The results revealed that liberalism cannot bring so much to the Arab countries in the current situation, because these countries are still not ready for the implementation of liberalism. There are many challenges which have to be overcome before liberalism can be beneficially applied. Many substantive changes in the social and economic system in these countries must be carried out in order to be able to apply liberalism successfully.

In regard to the case study on Jordan, social liberalism has been partly applied and proven to be beneficial, whereas the Jordanian economy is still not ready for economic liberalism, where some essential changes should be made.

**Keywords:** Liberalism, Development, Arab World, Jordan.

## 1. Introduction

Although some researchers ascribe the roots of the idea of liberalism to the document of "Magna Carta" and thereby to the moment in which the English nobles obliged king John to sign a document which restricts his authorities and prevents him from ruling without controls, liberalism as a clear political ideological current was established among the European aristocracy in the 17<sup>th</sup> century to limit the authority of the king and the people together.

In the beginning this current was not democratic at all. For example, John Locke called for the protection of the right of humans in life, freedom and property according to a social contract without mentioning democracy. After the end of Feudalism as a system and the transformation to Bourgeoisie, this current met with the democratic current in the 19<sup>th</sup> century and liberalism took a bourgeois nature. It changed, developed and differed according to time and place. The ideas of equality, civil rights, free election, freedom of press and belief, dominance of law, freedom of trade and property...etc have been among the ideas attributed to liberalism although some of these ideas are not original in liberalism and in spite of indications to the possibility of the assignment of some of these ideas by some liberals.

In this paper, the development of liberalism will be tackled in brief and the question about what it can present to the Arab world will be answered.

## 2. Development of Liberalism

### 2.1 Classical Liberalism

Classical liberalism is considered a response of the liberal current to the industrial revolution, civilization and the dominance of bourgeoisie in the 19<sup>th</sup> century. Its main hypotheses are based on that the human being is egoistic, lazy, with a non-collective consciousness, motivated by pleasure and enjoyment and is pushed to work in order to avoid hunger. Thus advocates of liberalism in that period had a position against the social protection, considering that deprivation of people from protection represents the best motivation to them to work. On the other hand, they assumed that the society consists of the total of its individuals, that groups have no weight in it and that it created the government in order to protect the individuals from each other. Furthermore, they believed that the free, uncontrolled market is able to distribute resources efficiently which leads at the end to full employment.

Based on these assumptions, classical liberalism recognized that poverty is inevitable and considered hunger a means of limiting population proliferation. It also stood against the distribution of income because the poor classes of people squander it, substituting that with the idea of charity. According to Adam Smith, the government has three functions: protecting the homeland from invasion, protecting the citizens from each other and establishing the public facilities in which the private sector is not concerned because they are not rewarding. Classical liberalism had a position against direct democracy, because the advocates of classical liberalism considered that it is not ensured that the majority is always right.

However, there is no consensus on all issues among all ideologists who are classified within this school. Classical liberalism was formed in many places and was affected by the contexts in which it existed. Chomsky argues that this liberalism doesn't exist anymore nowadays and that it dissolved into two currents; social

liberalism and market liberalism (neo-liberalism).

### *2.2 Social Liberalism*

At the end of the 19<sup>th</sup> century and the beginning of the 20<sup>th</sup> century, calls have appeared demanding the protection of the rights of workers and providing forms of social protection to citizens. Responses to these calls were minimal and would not have occurred without tremendous struggles. Later, the victory of communism in Russia and the Great Depression in the 1930s formed a threat to Capitalism. The economic expert John Keynes challenged the market hypothesis being capable of distributing resources efficiently and said that the government should intervene in economy to avoid economic crises. The advocates of this current noticed that charity doesn't solve economic and social problems. Thus, the call was nourished to the state of welfare, medical care and education, as well as the expansion of civil and political rights. This current presented its hypothesis stating that there is harmony between what is beneficial to the society and the freedom of the individual, since the freedom of the individual is not achieved unless there are suitable social and economic circumstances. The steps taken by the American president Franklin Roosevelt, known as the "New Deal", came in this context. By using these steps, the American government contributed to the reduction of unemployment through governmental spending on major public projects. Although some specialists see that those steps contributed to the solution of some problems of depression, others see that the Second World War was the main event which solved totally the problems of depression and unemployment and that all solutions before the war were only partial. This type of liberalism dominated in the West until the end of the 1970s. This stage was accompanied by the age of independence and the establishment of the non-Aligned movement, as well as the establishment of the public sector state in the developing countries, assuming that national bourgeoisie is capable of leading the development and maintaining the independence.

### *2.3 Market Liberalism (Neo-Liberalism)*

At the end of the 1970s and following the economic crisis at that time, it appeared that governments are not able to control economy according to the view of Keynes.

Among the reasons of this inability was the increasing power of the trans-border monetary institutions which have become out of the control of states and governments. This was accompanied by the entering of the communist bloc in the phase of depression as well as the retardation of classical consciousness in the West, which led to that the powers of the conservative right started the attack, announcing their fear of the Keynesian intervention in the markets as well as the danger of manipulating the free market through governmental spending. Those powers argued that the state of welfare encourages people to adopt the culture of dependency. This attack was crowned by the victory of minister president Margret Thatcher in Britain and President Ronald Regan in the United States of America. The phase of neo-liberalism started and was connected with free trade, open uncontrolled markets, privatization and the promotion of the role of the private sector, whereas the role of governments was restricted to the intervention in the monetary market.

This phase represented the decline of the earnings of peoples in the West as well as the decline of the role of the public sector in the developing countries, leading to the destruction of the production bases, the explosion of the debt crisis, spread of exploitation, corruption and inequality. This led Capitalism into a serious crisis without a foreseeable exit.

## **3. Liberalism and the Arab Civil State**

At first, a common mistake in the Arab discussion of liberalism should be mentioned.

The term liberalism is used to indicate the liberation from the constraints of the society and practicing personal freedoms without considering others. This interpretation is tendentious or indicates a misunderstanding. It is true that liberalism calls for individual freedoms, but the image of the society called for by liberalism is not only drawn by these freedoms. Liberalism has a comprehensive vision; ideological, philosophical, economic and lawful, and it is totally wrong to visualize liberalism as only the call for liberation from the constraints of the society. In this section of the research liberalism will be rationally discussed. An increase in the tendency towards liberalism in the Arab world has been noticed after the revolution of 25 January in Egypt, where a great number of young people who participated in it have been described as liberals. Some politicians like Mohammad elBaradei among others are attributed to the liberal thought. The question is: What does liberalism present to us? Before coming to an answer, some current facts about the Arab world will be presented and discussed.

1- Liberalism, especially after its coupling with democracy, has generated a set of ideas and principles which still do not exist in the Arab world. Citizenship, public and individual freedoms, social contract, the rule of law, elections, devolution of power...etc are still absent and distorted in the Arab world. On the other hand, liberalism is based on the freedom of capital and the freedom of possessing the means of production. It is unfair that somebody describes himself as a liberal only because he supports the promotion of public and individual

freedoms, whereas he has no position regarding the issue of possessing means of production in consistency with the position of liberalism.

2- Most Arab liberals who appeared in the phase of Arab Spring or those who admire liberalism because of its position towards the individual freedoms present proposals which are nearer to social liberalism. At the same time, they ignore essential issues, throwing shadows of doubt on the applicability of their call for implementing liberalism. An essential question is: can Keynesian policies be implemented in countries which are unproductive and unable to control the issue of offer and demand?!

3- Liberalism actually presented to the Arab world today is neo-liberalism. The experience in the last 20 years has proven that the actual results of neo-liberal policies were: poverty, looting the properties and wealth of the people and the generalization of corruption and tyranny. The Arab social liberals cannot be blamed for these results, because they were not in authority and they were not the decision makers. The international monetary institutions have exhausted the Arab reserves and the Arab state has become unable to finance its public sector which it broke up according to the advices of the new liberalism. The ability of this state to buy loyalties has remarkably declined and it moved towards the free market in a society in which the networks of social protection have been liquidated. The policies of identity, tribal and religious opposition have been revived which provide protection and charity and belong to the pre-state stage. This explains the nature of the dominant tribal and religious opposition in the Arab world which is far from the concepts of citizenship and the state of law. Therefore, this opposition did not yet present a modern plan and is still dealing with the homeland as a resource of gains and acquired rights. Neo-liberalism has adopted economic policies which generated an opposition against liberalism as a whole, but this opposition is not a serious opposition to neo-liberalism in the essential field (economy) as has been lately clear in Egypt and Tunisia. It is against the values of freedoms and civil state. The big loser here is the social liberal who might be the victim of the coalition of the neo-liberals with this opposition. This coalition ignores public and individual freedoms and spreads corruption in addition to using political money. It also applies the prescriptions of the International Monetary Fund. Therefore, the social Arab liberal finds himself in a disastrous position.

4- One of the slogans which attract people to liberalism is the graceful government and fighting bureaucracy. This slogan is used by two parties: the social liberals who support the graceful government especially if it ensured the provision of social protection and individual freedoms, giving opportunities to fight bureaucracy and customer state. The other party is the new liberals who desire to weaken the public sector describing it as lazy, flabby and full of bureaucracy, in order to open the door in front of the international capital. Of course, the graceful government is desired, but this doesn't mean that the government should lift its hand from the market and the economy. It doesn't also mean the destruction of the public sector. On the other hand the customer state has become a load which the society cannot bear. But in many cases it is an ally and protector of neo-liberals. The bureaucrat in the customer state needs buying loyalties which is connected with corruption. Also, the neo-liberals need corruption to pass their deals which harm the interests of the people. Thus a coalition is formed between neo-liberalism and bureaucracy, based on fighting democracy and transparency. There is a possibility that neo-liberalism especially in the states of the south is an expression of a return to a liberalism which is not connected with democracy; a wild liberalism which is even against the human values adopted by the first liberals.

5- The Arab liberals face a problem in that some of their prominent figures supported normalization of relations with the Zionist enemy. For example, Ahmad Lutfi Al Sayyed attended the opening of the Hebrew University in Jerusalem in 1925, side to side with Arthur James Belfour in spite of calls not to attend that occasion. This trend continued until the exchange of ambassadors with the Zionist entity. During this period, until the 1990s, the liberals didn't represent a political current in this sense. Giving priority to individual and political freedoms has led them to become dazzled by the West. The support of neo-liberals to normalization especially after 1991 had a negative effect on the level of support to this current as a whole.

The great task of the Arab world is the task of development in all forms. In order to reach this goal, the civil state must be established in the form of the state of national liberalization. But this step cannot be achieved without public coalition with clear tasks and slogans: modernization, industrialization, democratization, secularization, ascending tax, competent public sector...*etc.* These tasks cannot be achieved at the country level. They need an Arab depth representing the great market necessary for accumulation and the required force to protect the achievements.

[Yet a shock therapy of deregulation, liberalization and rule of law is precisely the medicine the Arab world must urgently take to meet the aspirations of a jobless disgruntled youth. For the economist Guy Sorman, it is imperative for the region to move away from statist economies to free market societies based on property rights, the right to entrepreneurship and competition. Only with this second revolution – not more aid – will the hope of millions to be lifted out of mass poverty will materialize (The City, "Egypt's unborn revolution," 18/02/2001)].

Based on the previous points the question of the research can be answered as follows: In the current situation,

liberalism seems not to present much to the Arab world, since many changes must take place before liberalism can be successfully implemented in the Arab world. The desired Arab civil state needs a liberation national program focusing on freedom, citizenship, social contract, enlightenment...etc with the representation of the interests of the vast majority of the people. Democracy and development in the Arab world require political and economic standpoints which form tests to social liberals. The most important test is associated with the position towards the issues of class struggle. When this struggle goes back, the attraction of liberalism increases because of its part connected to freedoms. But when the class struggle flares, the more important position is associated with economy. One may ask: where do liberals stand? What is their position for example, towards the policies of lifting the governmental support of the prices of the basic products?

#### **4. Case Study on Jordan**

Jordan is a country with limited resources. Since its establishment, the public sector has been given the essential role in administration and economy. Furthermore, it is a third world Arab, Islamic country with distinct traditions and habits. In the past decades, it heavily relied on external subsidies, loans and aids.

With time, the public sector has employed a great number of employees, many of whom are excessive, so that this sector suffers nowadays from over employment and finds many difficulties to ensure paying the salaries of its employees.

In respect to social liberalism, the past period didn't witness any application of liberalism. Personal freedoms have been restricted through Arab, Islamic rules, where the civil status law is derived from the Islamic legislation. As in other Arab states, freedoms of expressing personal opinions have not been guaranteed. Many people have been put in jail because of political or social opposition. The first indications on turning to social liberalism have appeared recently with the occurrence of the Arab Spring in some Arab countries. The political regime realized that it is very important to loosen the constraints and give the people the opportunity to express their views without fearing being punished. It is evident that the application of social liberalism in Jordan is good for both the regime and the people. Here, it is worth mentioning that the Jordanian Constitution which was set up in 1952 states that the Jordanian people have the right to express their views and opinions, but there was something wrong with the application.

In respect to economic liberalism, the 1980s and 1990s have witnessed the application of some aspects of economic liberalism, such as free trade, free markets, privatization, as well as the promotion of foreign investments and the freedom of possessing the means of production. The public sector was not more able to control the economy in the country, because this sector was over loaded by the excessive number of employees and was suffering from flabbiness. The government has found itself obliged to sell some of its essential assets and public companies mostly to foreign companies. Privatization has been applied in many vital sectors, like communications, water and tourism. The government has sold many assets in these sectors to compensate for the deficit in the budget. In spite of these measures the Jordanian economy has not benefited from the liberation of markets. The results have shown that the country is not yet ready for the application of economic liberalism. The public sector has continued to dominate the economy without noticeable improvement in the number of employees or their performance. Furthermore, in the privatized companies many employees have lost their jobs and joined the great numbers of unemployment, which posed Jordan to other problems, where the state has become unable to ensure social security. Problems like poverty and unemployment represent an increasing challenge for the whole country, and the treatment of these problems need innovative solutions.

#### **5. Conclusion**

This study has dealt with the development of liberalism beginning with the classical liberalism to neo-liberalism in its two aspects: social liberalism and economic liberalism. Furthermore, it has tried to examine the application of liberalism in Arab countries and answer the question: What can liberalism present to the Arab world in the current situation?

After examining the social and economic situations in the Arab countries, the results showed that: In the current situation, liberalism seems not to present much to the Arab world, since many changes must take place before liberalism can be successfully implemented in the Arab world. The desired Arab civil state needs a liberation national program focusing on freedom, citizenship, social contract, enlightenment...etc with the representation of the interests of the vast majority of the people. At the economic level, Arab states need to reduce the dominance of the public sector over the economy, give the private sector a more essential role in economic development, as well as promoting foreign investments and ensuring an attractive investment environment.

A case study on the application of liberalism in Jordan has also been carried out. This case study has dealt with the social and economic situations in Jordan and the attempts to apply some aspects of liberalism in the Jordanian society and economy.

The results showed that Jordan has achieved some development in turning to social liberalism, which is beneficial for both the political regime and the people in spite of many social problems which still have to be

solved like poverty and unemployment. On the other hand, there have been some attempts to apply some aspects of economic liberalism in Jordan but the results were not encouraging because there are still many changes which should be done to enhance the readiness of the state to liberalism.

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