



POLITICAL ECONOMY OF ISLAM

The Political Economy and Islam of the Middle East

The Case of Tunisia

Hayat Alvi



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Political Economy of Islam

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All Middle Eastern countries, with the exception of Israel and Lebanon, profess Islam as their state religion. Islam, whether simply in words or in fact, is woven into the fabric of these societies, affecting everything from the political system, to the social, financial and economic system. Islam is a rules-based system, with the collection of rules constituting its institutions in the quest to establish societies that are just. Allah commands mankind to behave in a fair and just manner to protect the rights of others, to be fair and just with people, to be just in business dealings, to honor agreements and contracts, to help and be fair with the needy and orphans, and to be just even in dealing with enemies. Allah Commands humans to establish just societies, rulers to be just and people to stand up for the oppressed against their oppressors. It is for these reasons that it said that justice is at the heart of Islam. In the same vein, the state (policies) must step in to restore justice whenever and wherever individuals fail to comply with divine rules; government intervention must enhance justice. This series brings together scholarship from around the world focusing on global implications of the intersections between Islam, government, and the economy in Islamic countries.

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PREFACE

In January 2011, I sat at the edge of my seat while watching events unfold in the unprecedented protest movement leading to the Jasmine Revolution in Tunisia. From my living room in New England, I was awestruck with how resolute the Tunisian people remained in the face of security forces. Having studied the Middle East and North Africa (MENA) region for decades, I knew that the odds against the protestors were insurmountable. Yet, they succeeded. Not only that, they also inspired the rest of the region to do the same: topple ruthless authoritarian dictators who, for decades, have cheated the people from the rewards of their labor, education, and endurance in dealing with economic hardships and violent repression.

I visited Tunisia during the dictator Ben Ali's era in fall 2003. Then, I visited after the revolution, in March 2012 and again in July 2017. The differences have been remarkable, and the resilience of the Tunisian people has been noticeable. Most of all, their determination to preserve Tunisia's nascent democracy by means of engaging in dialogue, negotiations, and compromises at various levels, including the highest levels of national political leadership, and maintaining peaceful, non-violent transitions, has been exceptional. The Tunisians witnessed what happened in Libya, Egypt, Syria, and Yemen, with violent chaos and civil conflict causing shocking destruction and casualties. Tunisians have been steadfast in keeping the peace in their country, and Tunisia stands as a model of democracy and non-violent change, which are truly unprecedented in the MENA region.

I have come across plenty of people from the MENA region, especially the oil-rich Persian Gulf Arab states, who have tried to discredit Tunisia's democratization efforts. They have even sullied Mohamed Bouazizi's name. Bouazizi is the young Tunisian man who lit himself on fire out of desperation in the face of gross corruption and abuse of power, and by so doing, he sparked the Jasmine Revolution. Most regimes, including the monarchies, in the MENA region detest the concept of democracy, because it rattles the status quo power structures and economic benefits that they have been enjoying for decades and generations.

As I write, the horrific disappearance and murder of the renowned Saudi journalist Jamal Khashoggi in the Saudi Consulate in Turkey has dominated the news headlines and shocked the world of journalism. Realistically, this case is just the tip of the iceberg regarding the regimes' hatred for democracy, freedoms, human rights, the free press, women's empowerment, gender equality, and the international norms and values that promote them. They also hate any scrutiny of their actions. This is the sad reality even in the twenty-first century.

In post-revolution Tunisia, we see the opposite direction, one in which freedoms and rights, press freedoms, government scrutiny, women's empowerment, and national dialogue in the spirit of non-violent discourse—which has won Tunisian civil society and labor unions the Nobel Peace Prize (2015)—are the prevalent values and processes in the newborn democracy. The most striking characteristic in modern Tunisian politics is the sincere effort of the secularists and Islamists to be civil toward each other, regardless of their deep-rooted differences, and to remain engaged in the national dialogue.

Similarly, it is highly impressive to see how focused the Tunisian civil society and activists are on the post-revolution national priorities, which comprise of improving the economy, especially to provide jobs for the desperate educated youth; fighting corruption; and ensuring security at the local and national levels. Tragically, Tunisia has suffered from some terrorist attacks, and thousands of Tunisians joined the Islamic State (IS) in Syria and Iraq during its peak. Fortunately, these have been the exceptions rather than the rule.

Tunisia has not presented itself as the “perfect” model of Arab democracy, but it deserves to be seen as an important source of lessons from which the rest of the MENA region should learn. Tunisia faces daunting challenges, but the people are not deterred. There is no going back.

Tunisia has a unique history, during the early Islamic period as well as during French colonialism. It has always stood out as unique, different, and unwilling to be merely compliant, whether to France or to the rest of the Arab and Muslim world. For that, Tunisia has always been impressive, and, perhaps, it is the main reason Tunisians dance to their own tunes, as they should, even if it means revolution.

Newport, RI, USA

Hayat Alvi

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All of the interviewees for this book project are worthy of my deepest gratitude: Dr. Radwan Masmoudi, Souad Goussami Hajji, Lotfi Hajji, Ali Ayadi, Hatem Abidi, Fatma Kamoun, and Meherzia Labidi. Without their cooperation and warm reception, I would not have succeeded in this project. These individuals are also treasures of firsthand knowledge and information. Their insights are indispensable.

I am also grateful to the Arab Center for Research and Policy Studies (CAREP), which graciously allowed me to attend their July 2017 conference in Hammamet.

Finally, I wish to express gratitude to my dearest friends in New England and family members, who have cheered me on and provided crucial moral and emotional support.

Louisa May Alcott once said, “I want to do something splendid... Something heroic or wonderful that won’t be forgotten after I’m dead... I think I shall write books.”

Thank you for helping me in this endeavor.

Praise for *The Political Economy and Islam of the Middle East*

“Hayat Alvi analyzes the Tunisian Revolution within the broader context of less successful movements elsewhere in the Arab world since 2011, suggesting Tunisia as a model for emulation. Based on my own experience of twelve years in Tunisia, including annual visits since the Tunisian Revolution, I find Professor Alvi’s analysis clear and persuasive. Her book shows a deep understanding of both the country and the area and a firm command of the literature and social science theory. It will appeal to a broad audience of both specialists and generalists.”

—Laurence O. Michalak, Former Vice-Chair, *Center for Middle Eastern Studies, University of California, Berkeley, USA*

“Following the revolutions of the 2011 Arab Spring, the Middle East and North Africa (MENA) region has experienced some of the most profound divisions in its history. With this excellent book, Alvi offers a fresh look at a complex interplay between political Islam and political economy of the region, with a special emphasis on Tunisia. Timely and relevant, this book does a superb job in explaining the intricate legacies of Tunisia’s Jasmine Revolution.”

—Lasha Tchantouridzé, Professor, *Norwich University, USA*

“Professor Alvi’s fascinating analysis of modern Tunisia offers intriguing insights into the only state to achieve a delicate balance of democracy and Islamic values in the Post-Arab Spring world. With exceptionally clear analysis, Alvi guides the reader through a comprehensive synthesis of Tunisia’s on-going political, economic, and human rights concerns. The result is a most valuable addition to our understanding of the impact of repression, reformation, and post-revolutionary societal change in the Arab world.”

—Frank C. Pandolfe, Vice Admiral, *U.S. Navy (ret.)*

“Dr. Alvi makes a seminal contribution to understanding a region which is still undergoing profound change. Where the cards will eventually fall, no one knows. But this critical work certainly helps us make sense of the journey.”

—Azeem Ibrahim, Research Professor, *Strategic Studies Institute, US Army War College, USA*

“The Arab uprisings that spread across much of the Arab world in 2011 started in a place that was seemingly unlikely to inspire Arab revolution: Tunisia. Since then, Tunisia has been touted as a relative success story, even as recent developments have raised some doubts about its trajectory. Strikingly, Tunisia’s transition has been largely non-violent. What explains this? In this thoughtful, well-informed book, Hayat Alvi expertly credits the inclusive nature of the dialogue across civil society and the political system. She grounds the conversation in analysis of Tunisia’s political economy, and powerfully addresses the challenges of the gender issue across the secular-religious divide. Highly recommended.”

—Shibley Telhami, Anwar Sadat professor for Peace and Development,
*University of Maryland, and Non-Resident Senior Fellow at the
Brookings Institution, USA*

“After initiating the Arab Awakening in 2011, Tunisia has courageously sustained forward progress in a way that neighboring countries in the MENA region have not. How? Dr. Alvi’s book brings us into the center of Tunisia’s political economy, and the at times difficult balance between secularists and Islamists, as they jointly attempt, through civic dialogue, to forge a path out of Tunisia’s recent history of corruption and abuse of power. The complexity of contemporary Tunisia requires a multidisciplinary and multi-leveled approach, which Alvi deftly provides, helping us more fully understand this precarious moment of hope.”

—Daniel Cowdin, Professor, Religious Studies, *Salve Regina University, USA*

“With passion and sound academic logic, Professor Hayat Alvi argues that the social transformation in the relatively smaller but diverse Tunisia can be an ideal role model for the wider Arab world primarily because of Tunisian resilience on the age-old but long-forgotten social-bonding or *Asabiyya*. Inclusiveness advocated by the Tunisian Islamists would continue to inspire the broader region as did the Jasmine Revolution which unleashed the Arab awakening.”

—P. R. Kumaraswamy, Professor, *Centre for West Asian Studies (CWAS),
Jawaharlal Nehru University, and Honorary Director, Middle East Institute,
New Delhi, India*

“Tunisia’s relative success in transitioning away from strongman rule to a more democratic framework makes it stand out in the Arab world. Alvi’s political economy approach to explaining these important developments marks an important advance that transcends the emphasis in press accounts on personalities and stereotypes.”

—Juan Cole, Richard P. Mitchell Collegiate Professor of History,
University of Michigan, USA

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CHAPTER 1

Introduction

He who finds a new path is a pathfinder, even if the trail has to be found again by others; and he who walks far in advance of his contemporaries is a leader, even though centuries may pass before he is recognized as such and intelligently followed.

—Ibn Khaldun

Ibn Khaldun was a renowned fourteenth-century Tunisian historian, philosopher, and sociologist, whose observations about Arab, North African, and Middle Eastern social and leadership structures still resonate today. His theories reflect the social bonds, struggles, and tensions between religion and politics that persist in modern-day Tunisia as well as throughout the Middle East and North Africa (MENA). His mapping of historical cycles deserves attention in the post-2011 Arab Awakening MENA region. From these historical observations, one can see that certain patterns run through the region. Such patterns pertain to socioeconomic and resource deficiencies; authoritarianism in political and religious institutions; iden-

The original version of this chapter was revised. The name of the first president of Tunisia has been corrected from Ghannouchi to Moncef Marzouki in this revised version. A correction to this chapter can be found at https://doi.org/10.1007/978-3-030-17050-9_9

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tity politics and the need for bonding based on tribal, ethnic, sectarian, and national classifications; marginalization of women and minorities; and yearning for reconstructing the “Golden Age” of past empires and Islamic civilization.

For Ibn Khaldun, the Golden Age “was the time of Mohammed and the first four caliphs. He looked back with huge nostalgia for when things were simpler and people didn’t wear fancy clothes, and they didn’t eat expensive meals.”¹ Ibn Khaldun expressed disdain for the “city-state” and the urban scene. He preferred the rural nomadic setting, where, according to his theories, social bonding drives politics, economics, trade, security, and survival—in general, *life*. He referred to the social bonding as *Asabiyyah*. The MENA region’s political economy has long been based on the desert culture and way of life and has evolved from them. In fact, “The German travel writer Wilfred Thesiger describes how [*Asabiyyah*] develops in the desert because you’re heavily dependent on each other to survive. But it’s not just *esprit de corps*, it’s also *elan vital*, a drive to conquer, supplement that with religion and you’re just about unbeatable.”²

Fast forward to the twenty-first century, and it is clear that not much has changed in the MENA region. Moreover, rather than bonding and unity, the region has never been more divided along political, socioeconomic, and religious fault lines. *Asabiyyah* is what the people in the MENA region may have aspired to achieve throughout generations, but due to centuries of authoritarianism and religious schisms, the goals of social bonding at a larger scale have remained unrealized. The problems of authoritarianism, illiteracy and undereducation, and marginalization of women persist and have continued to plague the region well into the modern era.

For instance, if we examine the groundbreaking 2002 report entitled the *Arab Human Development Report (AHDR) 2002*, we see that nothing much has changed in the Middle East and North Africa (MENA) region in political economy terms even after the earthshaking 2011 Arab Awakening uprisings and revolutions. The *AHDR 2002*, which followed the model of the annual *United Nations Human Development Report*, serves as a significant marker to analyze the MENA region’s political economy even today.

The report encompasses the political, economic, and sociocultural variables of Arab states in the Middle East. The conclusions of the *AHDR 2002* are described in three “deficiencies” based on these findings: (1) deficiencies in freedoms and rights, and the preponderance for authoritarian rule in the region; (2) deficiencies in a knowledge-based society, that is, concerning literacy and education standards, and intellectual productivity in the form of patents, book publishing and translations of books, and research and development and innovations; and (3) deficiencies in women’s empowerment.³

The twenty-first century continues to pummel the MENA region's economies, politics, and societies with continuous, seemingly implacable challenges. This book examines the comparative traits and components of political Islam along with the political economy of the MENA region since the 2011 Arab uprisings and revolutions, as well as the secular and religious ideologies affecting and shaping societies. This book also provides a special case study analysis of Tunisia since its 2011 "Jasmine Revolution." While most of the MENA countries suffer from political and economic problems and deficiencies, in some cases manifesting themselves in violent conflicts, Tunisia has mostly maintained stability throughout its post-revolution transitions, notwithstanding some serious obstacles and tribulations. Tunisia is the "outlier," or the anomaly in the region. The reasons behind its uniqueness in securing political and economic stability—*however fragile*—require examination and elucidation.

While the three major deficiencies continue to plague the MENA region since 2002, the Republic of Tunisia, with approximately 11 million people, has initiated a fearless internal regime change through the 2011 Jasmine Revolution, demanding freedoms, rights, economic opportunities, justice, and, most importantly, dignity. In the process of post-revolution transformation (i.e., evolution), Tunisia has implemented anti-corruption action plans, economic and foreign direct investment (FDI) initiatives, and political and electoral developments and transitions in the face of daunting challenges to the country's stability and security. Tunisia has also secured a substantial measure of democracy, which it has not experienced in its past and which remains elusive throughout the MENA region. Tunisia has achieved these goals, albeit with degrees of success, because of (a) the Tunisian people's commitment to dialogue, negotiations, and compromise in the domestic political processes; (b) the emergence and functions of a vibrant civil society, which could not operate freely and openly under the dictatorship; and (c) lessons learned from the democracy failures and violent repression in Egypt, Bahrain, Libya, Syria, and Yemen, the latter three of which have precipitated into bloody civil conflicts.

Tunisia's 2011 Jasmine Revolution provided the inspiration and impetus for other countries in the MENA region to follow its example and carry out uprisings and revolutions within their own settings. The 2011 uprisings caught on like dominoes throughout the region. However, democratization efforts have been far from successful in other countries, mainly because of the violent repression against pro-democracy movements at the hands of preexisting political elites, the military (in the case of Egypt and Syria), and remnants of the previous regimes. Civil society in these other countries has not been allowed to flourish, and democracy as a concept in and of itself has

been vilified by both secular and religious forces, even though the latter has opportunistically sought empowerment through elections in post-revolution political systems (e.g., the case of the Muslim Brotherhood in Egypt and Libya; the Salafist party in Egypt; and the case of Ennahda in Tunisia). The post-2011 regimes and political institutions in Egypt, Syria, Libya, and Bahrain have sought to maintain the *status quo ante*, mainly because these regimes and political elites have benefited greatly from the pre-2011 economic, political, and security systems and apparatuses. Their systems have included extreme corruption, violent repression with torture, and long-term detentions of political and human rights activists as well as journalists, and boundless appetites for power through authoritarian rule. Wherein the protestors have demanded rule of law, accountability and transparency, observance of basic human rights, the freedoms and right to political representation, and access to education and economic opportunities, the regimes in the MENA region have delivered the opposite.

In fact, the notion of self-imperialism, or *auto-imperialism*, is what various MENA regimes and political elites have been inflicting on their respective countries. Auto-imperialism is a modern take on the traditional concept of imperialism, but instead of foreign forces pursuing imperial economic and political advantages in developing countries, the governments and regimes of a given state are pursuing “conquest” by means of military, security apparatuses, socioeconomic and political forces, and overall “dominion” over others, in this case one’s own populace.

According to *Oxford’s* traditional definition of imperialism, it connotes “the dominion brought by way of the conquest, imperialism is in substance a form of large-scale political organization as old as recorded history. Varying both in terms of territorial expanse and formal institutional organization, all imperialism entails a fundamental political inequality between the imperial nation and its various subject nations or tribes.”⁴ The political and economic inequality imposed on a state’s subjects (i.e., population, especially the underprivileged) is the regime’s objective in auto-imperialism. This is achieved through corruption, violent repression and authoritarianism, and, not surprisingly, the three principal deficiencies that the *AHDR 2002* has outlined. Auto-imperialism is something that Tunisia has been trying hard to eliminate from its political and economic domains, while the governments in the rest of the MENA region, for the most part, strive to implement auto-imperialistic policies, because they gain significant advantages from doing so.

Moreover, following the 2011 uprisings, various Islamist parties have claimed to represent the people’s interests, promised social justice and equity, and presented their religious platforms as compatible with democ-

rary. However, political Islam has not proven to deliver on its post-2011 promises. In this area, Tunisia has also illustrated an exception to the rule with the actions and decisions of Ennahda, the Islamist party led by Rachid al-Ghannouchi, which are analyzed in detail.

Nevertheless, the political economy of the MENA region continues to decline. The preponderance of conflicts and wars, and the humanitarian crises arising from them, also contribute to political and economic stagnation. Natural disasters and climate change exacerbate these realities, especially in the form of water and food insecurity and basic human insecurity. Refugees and internally displaced persons (IDPs) proliferate throughout the region due to the combination of violent conflicts, economic despair, and human insecurity. Hence, many aspects of the *AHDR's (2002)* assessment of the MENA region's political economy remain true today. Where the regional actors should have made great strides in political and economic development since 2002, and especially following the 2011 uprisings, they have failed to make progress for their respective countries. In fact, the status quo elements of authoritarianism, corruption, violent repression, and suppression of democracy, freedoms, and rights persist throughout the MENA region (Map 1.1).



Map 1.1 Map of North Africa and the Middle East. (Source: Perry-Castañeda LibraryMap Collection, University of Texas at Austin <http://legacy.lib.utexas.edu/maps/africa.html>)

THE POLITICAL ECONOMY OF THE MIDDLE EAST AND NORTH AFRICA

In order to set the stage for this analysis, relevant concepts and terms must be addressed and defined. Among the concepts and terms to address is political economy.

What is political economy? According to the School of Oriental and African Studies (SOAS), political economy examines

how political forces influence the economy and economic outcomes. However, the interactions run both ways and political economy is interested in both. Thus, it is economic activity that generates the resources that are required to sustain political activity, for example, election campaign expenses. Moreover, whilst policy might lead to a certain economic activity prospering, this success in itself can generate a political constituency with an interest in maintaining the economic activity, because a sizeable number of people now benefit from it.⁵

Politics and economics are interdependent; what happens in one affects the other. This requires sound political and economic policies and good governance that positively affect the public simultaneously in diverse sectors including education, health systems, employment, technology, infrastructure, investments, trade, secure financial institutions and systems, currency value, equitable income/wealth distribution, and sustainable economic growth. All of these variables need to adjust for population growth and resource scarcities. In the mostly desert climates of the MENA region, water source is the most critical issue, and where there might be water insecurity, food insecurity is likely. Predictions indicate that climate change is not going to be kind to the MENA region, and that would only worsen regional stability and security. Hence, we see that all of these elements and variables are interconnected. Governance, then, is the crucial factor that could make or break a state's economy and interconnected variables. Thus, the health of the political economy of the MENA region lies in the hands of policy-makers, and so far, their track record has been far from stellar.

In fact, the causal factors leading to the 2011 uprisings and revolutions have pertained primarily to socioeconomic deficiencies, which, through interdependence with politics, translate into poor governance and imprudent policy-making along with gross mismanagement and stifling corruption. As Melanie Cammett et al. emphasize in *A Political Economy of the Middle East*, "As implied by the slogan 'Bread, freedom, and social jus-