

Social Power and Development in the Middle East: a transnational perspective.

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Abstract

The chief obstacle to transformative change in the contemporary Middle East is the region-wide configuration of social power which was consolidated in the Arab provinces of the Ottoman Empire and which survived the transition from empire to post-Ottoman independent states largely intact.

As in other regions of the world, in the Middle East structures of power evolved through cross-cultural and global processes of accumulation and growth centred, not on empires and nation-states, but on cross-regional elite interactions and connections. In Europe and other areas that, after 1945, became the 'developed' world, a shift in the balance of social power as a result of the wars set in motion changes that revolutionised socio-economic structures. In the Middle East, however, cross-regional elite interactions and connections enabled local elites to survive the upheavals and power struggles that accompanied the wars. Consequently, while the demise of the Ottoman Empire changed the region's political configuration, its pan-Arab social structure survived the transition from empire to modern state system intact.

During what we call the 'Cold War', Middle Eastern and extra-regional elites closed ranks to prevent, in the Middle East, the social revolutionary changes that had occurred in Europe. Working together, they eradicated not only communists and socialists, but *any* element in the region calling for democratic government or land reform, including the liberal, reformist, and progressive elements that, in Europe and elsewhere, had supported and encouraged the broadening of economic opportunities and democratization of national politics. As a result, in the Middle East, a narrow elite has, with the support of transnational networks, succeeded in maintaining socio-economic structures which, in their overall pattern, remain relatively more transnationally- rather than nationally-'embedded' and which, before 1945 characterized all regions of the world. With the resurfacing of these structures in the 'developed' world under the impetus of 'globalization, it is likely that the power of elites in the Middle East will continue to prove invulnerable to change.

Introduction

Many activists and observers are hoping that recent events in the Middle East will set in motion processes that will, in some fundamental way, alter existing structures, allowing greater freedom, and producing governments willing and able to transform conditions of life for the mass of their populations. However others, recognizing that revolutions, coups, and other political changes in the region over the past seventy years or so have left social and economic structures largely intact, either never nurtured such hopes or have by now abandoned them.

This paper discusses the anatomy of social power in the region and the structures which have enabled it to withstand pressures for change. It focuses in particular on a region-wide structure of social power, maintained by dualistic economies, controlled by a narrow elite, and deeply-rooted in global networks. It begins by briefly outlining the evolution of the global networks within which the contemporary Middle East state system emerged and remains embedded (Section I). Following this, it presents a brief overview of the structure of social power within the region (Section I), it then considers the conditions in recent history and in other areas of the world which, by shifting the balance of social power, undermined similar structures and opened the way to transformative change (Section III)..

I. Trans-local/Cross-Regional Structures: a 'horizontal' perspective

A growing number of world historians and specialists of non-western regions appear to be converging on the conviction that all parts of the world have long been closely interconnected, and that Euro-centrist perspectives tend to obscure this world and misrepresent its history. Their work provides abundant evidence of cross-setting similarities in processes and outcomes of growth in world history that, when combined, makes increasingly unsustainable conventional distinctions drawn between 'Western' and 'non-Western' and 'developed' and 'developing', worlds. At the same time, it is possible to see this accumulating evidence of 'surprising resemblances' across what are usually treated as sharply different regional contexts (Pomerantz 2000: 29) as readily combining to produce a 'gestalt shift', one that shifts our analytic focus from whole nations or regions to an essentially transnational set of connections, relations and processes.

Shifting our vision to a world divided 'horizontally' by supra-local networks of elite exchange, rather than 'vertically' by interactions among whole nation-states or regions, makes visible features of global development that conventions tend to obscure. From this angle of vision capitalism appears to have emerged, not from uniquely European developments, but from a changed domain of global interaction; to have developed, from the start, across international frontiers rather than within them, and based on interactions and connections, not of whole societies, but of interdependent centres of elite accumulation across the world. For most of its history, capitalist expansion appears to have actually been based, not on nation states, but on cities, city-states, and urban-based export centres, with nation states and national markets emerging only after World War II and only briefly in a few countries. Processes of capitalist expansion appear also to be characterized, not by the formation of a global core and periphery, but by the interdependent and synchronous growth of sites of elite accumulation.

To understand the structures within which capitalism developed requires us to revise our

view of the ‘industrial revolution’.¹ What we call the ‘industrial revolution’ was essentially a *re-organization* of production involving the deregulation of markets and capital, the de-industrialization of rural areas and concentration of production in cities, and the introduction of new forms of dominating and putting to work the lower classes. This reorganization of economic life enabled Europeans to launch a brutal expansion of production-for-export that became a model for elites and ruling groups throughout the world. It is this dis-embedding of local economies and expansion of production for export that we call the ‘industrial revolution’.

Pursuit of the enormous profits made possible by industrial production confronted elites everywhere with the dilemma of how to realize the value of a rising mountain of goods, without democratizing consumption at home. To provide the masses with the means to consume what they produced would result in social leveling and destroy the class, land, and income structures on which existing structures of social power rested. Sumptuary laws, official documents, records of elite complaints and public pronouncements about excessive popular consumption, attest to the ubiquity of this concern throughout the world.

Producing goods and services principally for an expanding network of elites, ruling groups, governments, settler populations in other countries resolved the dilemma. It obviated the need to develop mass purchasing power *at home* and, focused efforts, instead on developing it among foreign groups and ruling bodies through the creation of public debt, and investment in infrastructure, railroads and armaments. The result was an expansion of production that, both within and outside Europe, involved, not whole societies, but the advanced sectors of dualistic economies in interaction with others in Europe, Latin America, Asia, and elsewhere. Similar structures -- export platforms, foreign-oriented enclaves -- emerged in all regions as a result of trans-local relations and the similarities and interdependencies that it created; and with these, a global social order emerged constituted by horizontal solidarities among groups of elites in different parts of the world.

This regime of accumulation was consolidated by a nineteenth century imperial order that appears to have been far more cooperative, and distributed its benefits far more widely, than many scholars recognize or have been willing to acknowledge. The power and wealth of what has wrongly been characterized as ‘the periphery’ was never displaced or destroyed: these continued to grow and local elites to prosper. The financial center of this order was the City of London, which like the advanced sector of a ‘dependent’ third world economy worked to build strong linkages between British export industries and foreign economies, rather than to integrate various parts of the domestic economy. Consequently, while increasing blocs of territory throughout the world became covered with networks of British built and financed railroads, provisioned by British steamships and defended by British warships Britain itself by the beginning of the twentieth century was, as one scholar described it ‘the equivalent of an underdeveloped country in such a critical condition that [today] the relief agencies of the world would be mounting huge campaigns to work there’ (Warner 1979: 17). One observer described England on the eve of World War I as consisting of ‘small islands of luxury and ostentation surrounded by a sea of mass poverty

¹ In the 1980s, a number of prominent economic historians questioned the empirical validity and theoretical utility of the notion (see, e.g., Cameron 1985, Crafts 1983, Fores 1981, Harley 1982, North 1981: 162). Cameron (1985) provides a brief survey of the scholarly objections voiced at the time Arnold Toynbee invoked the phrase, in his *Lectures on the Industrial Revolution*, published in 1884. De Tocqueville had used the phrase as early as 1850–1851 in his *Souvenirs* (1978: 113–114), but it may have been used earlier by others.

and misery' (Joad 1951).

As a result of the two world wars and the 'great depression', the balance of class power shifted in those countries that came to be known as the '*first world*'. There, welfare reforms and market and industry regulation ensured that investment and production served the expansion and integration of *national* markets. In European countries that became part of the '*second world*', the same structural changes occurred; and though their autocratic structures of power remained, these changes eventually enabled them to achieve the political changes that had occurred in the first world by means of a 'velvet revolution' in the 1980s. But collaboration among elites throughout the world ensured that these changes would be prevented from occurring in most of the rest of the world – in what we call the '*third world*'. In this vast 'world', the crises of the world wars and the great depression led to a retrenchment of existing structures through corporative arrangements and 'national' development projects that reproduced dualism and other features of capitalist development that had characterized all of these worlds before 1945. As a result, the developmental trajectories of what came to be known as 'the advanced industrial countries' (the 'first' and 'second' worlds) and 'the developing world' (the 'third world') began rapidly to diverge.

II. The Structure of Social Power in the Contemporary Middle East

As in other regions, in the Middle East, social structures were for centuries characterized by a narrow but powerful landowning elite; and, as in Europe and other regions, the power of landowners in the Middle East was strengthened as additional land was brought under cultivation for export crops. In much the same way that the English landlords of the eighteenth and nineteenth centuries enclosed lands that were traditionally common property, in the nineteenth century landowners in the Middle East ousted smallholders whose title was based only on custom; and, as in nineteenth century England, the process was hastened by mechanization, which gave the big landowners an advantage against the small cultivator.

Landowning elites in the Middle East, like those elsewhere, sought to profit from the extension of cultivated land while, at the same time, preserving the structures on which their privileges rested. However, in the nineteenth century the Ottoman government introduced policies and reforms to expand a capitalist middle class (The Tanzimat²); and though the separate capitalist middle class which began to emerge was barred from exercising political power, its expansion began to threaten traditional social class structures and, in particular, the power and privileges of those at its top: the largely Arab Moslem landowning and clerical elites.² The opposition of Arab landowning and clerical elites to the Tanzimat reforms eventually culminated in the nationalist movements of the twentieth century, which were led, in Syria, Iraq, and elsewhere, by the traditional notability. But most Arab nationalists sought, not to establish separate states, but only to restore Arab autonomy within the Empire; and though the expected defeat and break-up of the Ottoman Empire during World War I transformed these aspirations into national independence movements, it remained the case that the Arab notabilities that led them sought, not to overturn the traditional order, but to regain the local power and autonomy they had previously enjoyed within Ottoman society (Hourani 1968).

² Some accounts of the Tanzimat reflect the narratives of this opposition by characterizing it as an assault on Islam, and as wholly a European imposition designed to advance European interests in the Empire.

When the Ottoman Empire entered the war in Europe in 1914 on the side of the Central Powers, the British and French governments shifted their support from the Ottoman Sultan to the disaffected Arab notabilities. It was this that enabled Arab elites to survive the upheavals and power struggles that accompanied the demise of the Ottoman Empire and to regain the power and autonomy they had begun to lose with the introduction of the Tanzimat reforms. Under the United Nations 'mandate system', Arab allies of Britain and France were provided with monarchies and regimes in Iraq, Jordan, Lebanon, and Syria.³ Kuwait, the United Arab Emirates, Bahrain, and Qatar, which developed as the private domains of families that were allied with the British, remained under British protection, as did Oman, until the 1970s. Both Britain and the U.S. protected the al-Sauds against local opponents and threats to their rule. It was because of these connections that the construction of the contemporary Middle East state system changed only the political structure of the region: the social structure of the region survived the transition from empire to modern state system intact.

After becoming the ruling class of independent successor states, the first project of Arab elites was to eliminate the middle classes that had grown up with the help of the Tanzimat reforms. First to be eliminated were foreigners and members of minority groups who had been allowed to perform the functions of an entrepreneurial bourgeois class in trade, finance, industry and, to a large extent, the professions. This was followed by the subordination of the indigenous industrial and entrepreneurial middle class that had expanded as a result, not only of the Tanzimat but of the expanded industrial production undertaken during the world wars. The growth of this class was checked in the 1950s when, in Egypt, Syria, Iraq, Lebanon, and Jordan, the state and its bureaucracy made it almost impossible for groups of producers to enjoy sufficient autonomy to set up institutions that could expand their economic base (Issawi 1982: 170, Herschlag 1975: 35-6). Instead, commercial and industrial elements were subordinated to traditional landowning and urban notabilities and absorbed into over-bloated and inefficient state bureaucracies.

Thus, despite all that has been written about the rise of the 'new middle classes' in the Middle East, no economic class emerged with strength enough to rival the power of the traditional class of landowners and urban notabilities.⁴ After World War I, Egypt's economic development was led by the older propertied class turned industrialist (Davis 1983: 30, Deeb 1976, Vatikiotis 1980: 333-34). Economic power in Syria remained with the traditional urban notabilities, and the old landowning aristocracy in the cities of Homs and Hama and their surrounding villages (Petran 1972). Jordan had a mass of bureaucratic and governmental functionaries ('salarariat') having no independent political and economic power apart from that bestowed upon it by the Crown. In the countries of the Arabian peninsula -- the UAE, Bahrain, Kuwait, Saudi Arabia and Oman -- there developed a small managerial elite closely tied to and dependent upon the ruling Sultan, Emir, or King. Though North Yemen's 'revolution' of 1962 brought about a change in its formal political

³ The kingdoms set up in Jordan and Iraq 'were explicitly conceived on the model of the Indian princely states' (Cannadine 2001: 71). 'Like the princes of South Asia, the Hashemite rulers of Iraq and Jordan built palaces designed by British architects, employed British nannies, tutors and governesses, and sent their sons to public schools' (Cannadine 2001: 78).

⁴ Manfred Halpern focused the attention of Middle East scholars on the rise of a 'new middle class' as a subject of study in the early 1960s. See the debate between Halpern (1962, 1969, 1970) and Amos Perlmutter (1967, 1970).

structure, it left the economic life of the country under the control of tribal and other traditional leaders. Lebanon had a genuine middle class before the civil wars; however, during the 1970s and 1980s, a large portion of it fled the country.⁵

On the whole, the strong traditional elite of landowning and urban notabilities that became the ruling class of independent Arab states proved successful in accommodating, absorbing, and containing the various commercial and industrial elements that had emerged in the nineteenth and early twentieth century. In the 1950s, a governing elite of party, bureaucratic, and military personnel took control of the state in a number of Arab countries, but this elite did not differ substantially from the Ottoman petite bourgeois and military governing elite. Under the Ottoman Empire traditional elites had exercised local, not central, power; and, following ‘revolutions’ in Egypt, Syria, and Iraq they continued to do so under petite bourgeois regimes; and, while they did not directly control the political and military apparatus of the state, their continued control of traditional local power bases enabled them to block far-reaching reforms in economic and social structures.⁶

The Arab Cold War

One of the most significant features of the post-World War I Middle East was the rise of communist, socialist, and other leftist political organizations, and the intense social conflicts that both generated and ensued from them. Similar struggles occurred in Europe and many other parts of the world after World War I. These struggles played out differently in different regions, and the ways and reasons that they did had an important impact on their post-World War II development. In the Middle East, parties and movements of the Left emerged after World War I in Iran, Egypt, Syria, Lebanon, Iraq, and elsewhere in the region, and were suppressed by local security forces with the help of Britain and France. However, with the resurgence of these groups following World War II, regional elites seeking to monopolize access to new sources and means of producing wealth, and foreign powers determined to make the world safe for capitalist producers and investors, closed ranks in a campaign to eradicate, not only Communists and Socialists, but *any* element calling for democracy and land reform, including liberal, left-of-center, and other reformist groups and movements.

This campaign, which purported to have as its aim the containment of Soviet expansionism, was frequently prosecuted by means of violent clashes, bloody police action, expulsion and incarceration. However, two of the less overtly violent means it employed have had what are arguably the most far-reaching consequences for the region’s socio-economic and political development. The first of these are policies and institutions

⁵ South Yemen was the only Arab state in the region with a strong middle class. When the country became independent in 1967 under a Marxist government, the British and their sultan clients, pro-British business interests, as well as many British- and Saudi-backed tribesmen, fled into exile. Consequently, in contrast to the situation in North Yemen, the South Yemeni regime did not remain dependent on sheiks at the local level and royalist holdovers at the national level (McClintock 1986).

⁶ Where agrarian reform and nationalization programs *were* implemented, compensation was paid to the expropriated owners and, in most cases, reinvested in industry and construction with government help so that the returns were higher than they would have been from previous forms of wealth. Thus, rather than reducing the wealth of the traditional elite, reform and nationalization only changed its composition (Tuma 1980: 431). It is generally the case that in the Middle East, economic reform programs have either reproduced or created anew ‘the structures and practices through which select actors capture, politically, positions of economic privilege’ (Heydemann 2004: 4).

that, together, produced and maintained dualistic, enclave-like economies in Arab countries. Maintaining this overall pattern of development enabled elites to expand production and increase their wealth while, at the same time, limiting access to resources and blocking the growth of new classes. Consequently, while elites in the Middle East have amassed considerable wealth and enjoy a standard and style of living characteristic of elites in Western Europe and the United States, the standard of life of the mass of the population has remained near subsistence levels. A second means employed in the anti-left and -reformist campaign, was to actively aid and abet the growth of a religious far right as a bulwark against the left. As a result, today there is no left, center or, even moderate right sufficiently organized to successfully compete in an open election with the religious far right.

Historically, the emergence of democracy is associated with a breakdown of traditional class structures, an increase in the power of working classes relative to that of other classes, a relatively more nationally embedded capitalism, development of purchasing power among a mass domestic citizen workforce, and the extension and integration of domestic markets. But, in the Middle East, the post World War II 'Cold War' crusade defended traditional class structures, restricted the power of working classes, encouraged the rise of ultra right-wing, anti-democratic groups; and, thus, prevented the development of the very conditions that, in Europe and elsewhere, are associated with democracy.

Nationalist Politics and the Reproduction of Traditional Socio-Economic Structures

In the 1950s, bureaucratic and military elites came to power in nationalist 'revolutions' and coups in Egypt, Syria, and Iraq. However, 'revolutions' in these countries never had as their aim the transformation of traditional social structures.

The Free Officers who overthrew the Egyptian monarchy in 1952 did not represent class interests fundamentally divergent from those of Egypt's traditional ruling class.⁷ They were not enemies of the ruling class, but a replacement within the established structure (Hussein 1973: 95). Consequently, the British government did not order its occupation army to intervene on behalf of the king and, along with the French and the Americans, it negotiated with the new regime and made concessions that helped it to consolidate its power.⁸

During the initial years of its rule (from July 1952 to the end of 1954) the new regime fiercely repressed all political and trade-union organizations associated with the petite bourgeoisie or with the industrial proletariat. Like the King and the political leaders they

⁷ Hussein 1973: 95. High-ranking officers within the free officers' movement were tied to royal and property interests (Ismael and Al-Sa'id 1990: 73).

⁸ The Free Officers made connections with both the Moslem Brotherhood and the United States (his is something that Egypt's principal Communist movement (HADITU) did not realise when it gave support to the movement). According to a member of the free officers' movement, Khalid Muiyih al-Din, several days before the movement seized power, an American Colonel at the U.S. Embassy in Cairo assured an intermediary that the U.S. would not intervene against the movement as long as it was not communist (Interview with Khalid Muiyih al-Din by Rifa'at Al-Sa'id, Cairo, March 23, 1980; in Ismail and Al-Sa'id 1990: 72). The movement was denounced by the Soviet Union and the international communist movement (except for the Sudanese Communist Party; Ismael and Al-Said 1990: 73).

replaced, the Free Officers were steadfastly anti-Communist.⁹ Thus, despite a rhetoric of social revolution, they moved immediately to suppress communism and other leftist elements in Egypt. Labor militancy had been supported by the nationalist movement as a contribution to the struggle against foreign economic influence.¹⁰ However, the new regime fiercely repressed all political and trade union organizations, as well as strikes and other manifestations of working class collective action.¹¹ It institutionalized a corporatist, ethnic- and religious-based, and selectively anti-imperialist, nationalist politics that brought labor organization under state control, targeted the minorities and foreign elements that had been instrumental in developing communist parties and labor movements in the region, and ensured that the wealth generated from the exploitation of national resources by Western business interests would be limited in its distribution, locally, to only a narrow elite.

Like Egypt's Free Officers, Iraq's Ba'th party was, from its inception, strongly anti-communist.¹² In 1958, a coup led by Brigadier General 'Abd al-Karim Qasim and Colonel Abdul-Salem Aref against King Faisal II, brought down the monarchy and proclaimed a republic. The Iraqi Communist Party (ICP) grew rapidly after 1958, building up support in Baghdad, southern Iraq and Kurdistan; and gaining control over students', women's, youth, and professional unions, as well as broadcasting facilities and newspapers. Iraqi communists also managed to get a considerable number of their supporters into strategic jobs in the government, including almost complete control of the Ministries of Education and Information. In February 1963, a coalition of anti-communist civilian members of the Ba'ath Party, Ba'athist army officers, and the Muslim Brotherhood carried out a coup against the Qasim regime, installed Colonel Aref as President, executed Qasim, and purged the army and government of all communists and their sympathizers. Some 10,000 people

⁹ King Farouk was obsessed by a belief in the imminence of war with communism. This was a frequent topic in the King's talks with the ambassadors of the Western powers (Berque 1972: 660-61). In the 1960s, Nasser viewed Iraqi communism as a threat to the whole Arab world; 'Nasserism' became the banner under which anti-Communist forces fought to eradicate communism in Iraq (Mansfield 1969: 62, 107-108).

¹⁰ The increasingly militant worker's movement was an important component of the social and political upheaval that brought down the Egyptian monarchy in 1952. The riots that began in Cairo on January 25 and ended with the overthrow of the monarchy, were both national and social: aimed at both the Egyptian bourgeoisie and the British. On the afternoon of January 26, a vast demonstration massed in front of the Soviet embassy in an expression of solidarity (Hussein 1973: 81-4). Conventional historical accounts of this and other nationalist struggles in the region tend to downplay the role of communist, socialist and other reformist and progressive elements.

¹¹ Despite these measures, the high level of industrial conflict that had persisted since the end of World War II continued unabated (see Audsley 1958: 99-102). The average number of labor disputes in the years 1952-1958 was three times that of the preceding seven years (Beinin 1989). By 1959, Nasser had jailed most of Egypt's active communists. In 1965, the leaders of Egypt's two communist parties dissolved their organisations and urged their members to join Nasser's Arab Socialist Union. In 1975, Anwar al-Sadat permitted the re-establishment of the Communist Party and communists became part of the legal left opposition, the National Progressive Unionist Party of Nasserists, Marxists, and others. However, periodic repression and restrictive electoral laws combined to keep this grouping at the margins of Egypt's political life.

¹² The Ba'th founders' views on communism are in Michel Aflaq and Salahaddin al-Bitar, *al-Qawminiyah al-'Arabiyah wa mawqifuha min al-shuyu'iyah* [Arab Nationalism and its Stance Toward Communism] (Damascus, n.d.); and Michel Aflaq, *Fi Sabil al-Ba'th* [For the Sake of the Ba'th] (Beirut: Dar al-Tali'ah, 1963).

were killed in the course of the coup and the anti-communist hunt that followed.¹³ It is generally thought that the U.S. was heavily involved in these events, as well as in strengthening the rule of Saddam Hussein, a leader of the Ba'ath Party faction that seized power in a coup in July 1968.¹⁴ In 1972, the Ba'ath invited the ICP to participate in a National Progressive Front (NPF) government. The Ba'ath used the NPF to extend its control over mass organisations that had previously been dominated by the ICP, by creating 'common lists' of candidates for organisational posts in which the Ba'athists held priority. However, after the ICP criticised its policies towards the Kurds in 1975, the Ba'ath began repression of the Party.¹⁵ In March 1979 the ICP left the Front and the NPF was formally dissolved.

The governments of Nasser and of the Iraqi Ba'athists called themselves 'Arab Socialist'. The Ba'athist movement coined the term 'Arab Socialism' in order to make clear that its socialism was not Marxist socialism but, rather, a different and, in most respects, opposing ideology (Ismael 1976: 44). In fact, in its doctrines and actual practice, 'Arab Socialism' resembled what, in Europe, had been called 'National Socialism'.¹⁶ 'Arab Socialism', like National Socialism, is a corporatist ideology; and, like corporatist ideologies in Europe in the early twentieth century it is, above all, concerned with containing and co-opting independent bourgeoisies and labor movements.¹⁷

The Religious Right

In the Middle East, as in Europe at an earlier time, the religious establishment is linked to the dominant traditional landowning and urban notable elite, and shares with it a common interest in preserving the structures of traditional life. Both are unalterably opposed to land reform and other liberal and democratic reforms, including legal and educational reform, the extension of labor, women's, and national minority rights, and religious toleration. The religious right calls for the expulsion of Christians and other infidels from the Middle East, and attack governments that try to introduce reforms. In Syria and Lebanon, Islamic radicalism emerged in the 1960s and 1970s in opposition to land reform and other socialist policies that threatened the traditional patronage system. In the 1980s, policies of economic liberalisation in Egypt and Jordan triggered a resurgence of religious opposition to the state. Wherever states have introduced reform measures, they have been generally unable to withstand the anti-reform pressure either of the right-wing religious and traditionalist establishment or of newer 'Islamist' groups. Consequently, nowhere in the region have governments been able to effect meaningful economic and political reform.

The Muslim Brotherhood in Egypt, the first religio-political organization to enter the political arena in force, was founded in 1928 by an Egyptian teacher, Hasan al-Banna. It

¹³ British Committee for the Defence of Human Rights in Iraq: *Report from Iraq 1964; Record of the Arab World* 1/70; Haddad 1971.

¹⁴ For U.S. involvement in the coup against Qasim, see, e.g. *Middle East Watch* 1990, and Hussein and Alexander 1991. On U.S. support for Saddam, see Davis 1993.

¹⁵ A Kurdish revolt was crushed in 1975.

¹⁶ Michel Aflaq, founder of the Ba'ath, considered socialism in the Arab world to be 'a branch subservient to the root which is nationalism'. In his view, socio-economic problems were 'related to a much more important and deeper problem, namely that of nationalism' (quoted in Hanna and Gardner 1969: 297-304).

¹⁷ Detailed studies of corporatist structures in the region are limited. See Baer 1964, Bianchi 1989, Waterbury 1983, Richards and Waterbury 1990: 340-47, and Moore 1975.

began political activity in 1936 by taking up the cause of the Palestinian Arabs against Zionism. Concerned that Jewish capital, technical know-how and contacts with the West would deprive it of its hoped-for Middle Eastern markets, Egyptian industrialists and landowners joined with the Moslem Brotherhood and Palestinian notables to oppose further Jewish immigration and to make the preservation of Palestine as an Arab country the pre-eminent Islamic and Arab cause. The Brotherhood took the lead in mobilizing mass support for the Palestinian Arabs. It also organized attacks on Catholic, Armenian, and Greek Orthodox churches (Kazziha 1979: 43-4; Davis 1983: 171-2, 182, 191). By December 1948, its political activities inside Egypt had soured its relations with the government, and it was banned. It subsequently developed close links with members of the 'Free Officers' who seized power in Egypt in 1952. The new government dissolved all political parties except the Brotherhood. Nasser dissolved the organization when it attacked him for attempting to abolish *shari'a* courts and nationalize religious endowments (*awqaf*), Nasser dissolved the organization. But anti-reform pressure from the religious and traditionalist establishment continued to thwart attempts at reform (al-Nowaihi 1979). Originally, Nasser's successor, Anwar al-Sadat, also attempted to use the Moslem Brothers as a counterweight to the Left; but ultimately, like Nasser, came into conflict with the organization.

The Muslim Brotherhood developed important branches in both Syria and Jordan. In Jordan the government suppressed all political parties in the 1950s except the Moslem Brotherhood. Jordan (before 1967), and Israel (after 1967), also allowed Islamic groups to operate in the West Bank as a counterweight to Leftist, secular nationalist forces. Eventually, as in Egypt, these groups came into direct conflict with all these states and began to organize against them. In the 1970s, the Syrian Muslim Brotherhood launched a campaign against the Ba'th government with a series of bombings and assassinations, violent demonstrations, and strikes. In 1980 and 1981, thousands of people were killed in bomb blasts, and violent clashes with, and reprisals by, government troops. In February 1982, the Islamic Front (which included the Moslem Brotherhood) started an all-out offensive against security forces and Ba'th Party activists in Hama. The government responded with convoys of tanks and heavy artillery and commando units. Over the next two weeks, at least 25,000 people were slaughtered (Patrick Seale, *The Observer*, 5/9/82).

In the 1990s, and with the acquiescence of the Saudi government, hundreds of millions of dollars flowed from wealthy Saudis to Islamist movements. Within Saudi Arabia, the Saudi government gives massive support to the maintenance and protection of Muslim holy places and enforces strict compliance with Islamic social norms. However, the religious establishment has fiercely opposed government attempts to introduce modest reforms, including the creation of a consultative council, a written body of laws, expanded autonomy for provincial authorities, and (strictly segregated) participation of women in higher education. Through religious societies and mosques, it has launched a co-ordinated attack, in public speeches in mosques, lectures at religious universities, and through recording and distributing hundreds of thousands of audio cassettes. The monarchy, fearful of further antagonizing the highly organized, politically powerful and potentially dangerous religious establishment, has continually been forced to back down.

With Islamist groups threatening right-wing regimes, the U.S. and Saudi Arabia found a way to keep them busy fighting an anti-communist jihad in Afghanistan. However, with the demise of the Soviet Union and the end of the Cold War, the U.S. no longer required their services and stopped funding them. This triggered an Islamist war against the U.S.

and its allies, beginning in 1991. An Islamist network of organizations, *al-Qa'ida* opposes U.S. support for right-wing governments like Saudi Arabia because, in their view, these governments are insufficiently right wing. Thanks to the Cold War crusade against the left, Islamists represent the best organized, wealthiest, and most powerful political movement in the Middle East today.

III. Comparative Reflections

Capitalist development has been essentially trans-national in nature from the start, involving, not whole, nationally-bound societies, but only sectors or regions within them. It has proceeded, not through the expansion and integration of national societies and economies, but along networks that link export sectors to each other. Nearly always and everywhere, capitalism development has been dualistic (i.e. characterized by limited and weakly integrated domestic economies, but with strong linkages between expanding sectors and those of foreign economies).

Dualistic development was a model that Europeans developed at home and encouraged or helped to develop abroad. As a result, until the world wars, socio-economic and political development in Europe and in the contemporary 'developing' world was not substantially dissimilar (Halperin 2007). Until the world wars, it was largely traditional landowning elites that formed the basis of Europe's 'capitalist classes', dominated state apparatuses, and led capitalist development. Industrialisation was sectorally and geographically limited, largely carried out by atomised, low-wage and low-skilled labour forces; based on production, not for local mass consumption, but for export to governments, elites, and ruling groups in other states and territories, and characterised by restricted and weakly integrated domestic markets. Political institutions were designed to maintain the power of traditional forces against the lower classes; and in general, they were successful in achieving that end. It was the increase in working class power due, not to its mobilization for large-scale industrial production, as is usually assumed, but to the mass mobilisations for the world wars, that made possible the achievement of stable, full democracy in Europe.

Europe's post-world war order was based on a social democratic reforms that had previously, been strenuously and often violently resisted. The massive capitulation to these reforms was compelled, as Schumpeter and many others observed, as a result of a decisive shift in the balance of class power that, throughout Europe, had occurred as a result of World War II. As Schumpeter explained, this accounted, not only the transformation that had taken place there, but for what appeared to be its permanence. Schumpeter observed that

[t]he business class has accepted 'gadgets of regulation' and 'new fiscal burdens, a mere fraction of which it would have felt to be unbearable fifty years ago....*And it does not matter whether the business class accepts this new situation or not. The power of labor is almost strong enough in itself--and amply so in alliance with the other groups that have in fact, if not in words, renounced allegiance to the scheme of values of the private-profit economy--to prevent any reversal* which goes beyond an occasional scaling off of rough edges.¹⁸

¹⁸ 1976: 419-20; my emphasis. With the elements of post-WWII economic orthodoxy accepted by the business class and by a large number of economists after the

As Schumpeter observed, a shift in the balance of power meant that the changes that had occurred following World War II would not be reversed. Previous regional conflagrations had been followed by restorations. Revolutions in Europe in 1789, and in the 1820s, 1830s and in 1848 had given a stronger position to industrialists and bankers, weakened the landlords' influence and, in places, partly replaced the political personnel; but they had failed to bring about a thorough-going transformation of social structures. Except in Russia after 1917, the traditional social structure of Europe remained essentially intact up until 1945. The suffrage was expanded, and legislatures and local governments were reformed, but economic and social structures remained essentially the same. However, after World War II, a shift in the balance of social power, and consequent changes throughout the class structure, made restoration impossible and permitted a thorough-going reconstruction to take place on the basis of re-distributive policies that, before the world wars, had been effectively blocked.

Between 1914 and 1945, the mobilization of mass armies to fight two hugely destructive wars in Europe, and the enormous industrial expansion that governments undertook to support them, triggered a social revolution that transformed social structures and put economies on a fundamentally different footing. As a consequence of these events, in some areas of the world – in Europe, in a few Asian countries where similar changes were imposed, and in ‘areas of new settlement’ (the United States, Canada, Australia, and New Zealand) – conditions of life began rapidly to diverge from those found everywhere else in the world.

It soon became a commonplace to characterize the world as divided into ‘developed’ and ‘developing’ countries. In ‘the West’, this division was attributed, not to recent and revolutionary transformations, but to a further evolution of processes that had purportedly defined the separation of ‘the West’ from ‘the rest’ beginning in the sixteenth century. However, it was only after 1945 that the set of conditions that defined the ‘developed’ countries emerged. ‘Developed’ countries were those that had (1) experienced a breakdown of their traditional social structures through land and other reforms and as a result of war or external agents (all of Europe, Japan, Taiwan, and South Korea), (2) earlier experienced a significant decline in the power of landowners as a result of one of the bloodiest wars in human history (the United States in the 1860s), or (3) never had an entrenched landed elite (Australia, Canada, and New Zealand).

By the early 1950s, the binary of ‘developed’ and ‘developing’ countries had given way to a tripartite division of the world which assigned capitalist countries to a ‘developed’ *first world*, and the Soviet Union and communist countries of Eastern Europe to a separate *second world*. The rest of the world – comprising some three-quarters of the world’s population in

war, he noted, ‘we have traveled far indeed from the principles of laissez-faire capitalism’ (1976: 418). These new gadgets, according to Schumpeter (1976: 218), included the following:

1. a large amount of public management of business situations;
2. the desirability of greater equality of incomes and, in connection with this, the principle of redistributive taxation;
3. a rich assortment of regulative measures;
4. public control over the labor and money market;
5. indefinite extension of the sphere of wants that are to be satisfied by public enterprise;
6. all types of security legislation.

areas covering two-thirds of the surface of the Earth (Mason 1997) – was the ‘developing’ *third world*. Here, as a result of a massively funded, sustained, and coordinated global effort, pre-war social structures were preserved for more than half a century, and remain today largely intact.

But the existence of ‘three worlds’ was brief: by the 1970s and 1980s, the countries of the ‘first’ and ‘second’ worlds themselves began rapidly returning to pre-war patterns and structures. The immediate post-World War II period might be seen, then, as an interregnum: two or three decades during which social revolutionary changes in a few areas of the world suspended the operation of historically ‘normal’ patterns of capitalist social reproduction

Historically, the emergence of democracy is associated with a breakdown of traditional class structures, an increase in the power of working classes relative to that of other classes, a relatively more nationally ‘embedded’ capitalism, development of purchasing power among a mass domestic citizen workforce, and the extension and integration of domestic markets. It is associated with state policies that insured that wages rose with profits, so that labour shared in productivity gains, making higher mass consumption possible for new mass consumer goods industries. None of these changes feature prominently in the vast qualitative and quantitative literature devoted to exploring ‘requisites’ of democracy’; nor are they outcomes envisioned or promoted by the democracy promotion efforts of Western governments, NGOs, and international organisations.

Structural adjustment programmes, which are designed to more widely open up economies to foreign capital and foreign trade, have been persistently promoted as inextricably linked to democracy and the expansion of civil society. Evidence of its persistence can be seen in the fact that the measures these programmes prescribe are also found with almost unvarying regularity at the heart of a variety of other programmes and initiatives, including fast-track transitions from socialist systems, ‘shock therapy’, post-war and post-disaster (e.g., tsunami, hurricane) reconstructions, civil society initiatives, good governance proposals, stabilisation measures, and democratisation promotion programmes.¹⁹

But these measures stand in direct opposition to the changes associated with the achievement of democracy in the West, including the resumption by states of the welfare and regulatory functions that they had relinquished in the nineteenth century and the pursuit of policies designed to increase domestic investment, produce a more equitable distribution of income, and expand domestic markets. Getting this history right is important. Misconceptions about how democracy was achieved in the past informs not only academic research and writing: it also shapes expectations in the third world, the democratization and development initiatives promoted by Western agencies, and our understanding of globalization and its relationship to democratic struggles throughout the world today.

¹⁹ See, for instance, *The Greater Middle East Initiative* (GMEI), and the *Broader Middle East and North Africa Initiative* (BMENAI). These focus on a combination of democratization measures linked to the adoption of more effective investment and trade policies.

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