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Jordan First? Internal Politics and the Approaching Iraq War

A Luncheon Discussion with

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MARTIN INDYK: Good afternoon, ladies and gentlemen. Please continue with your lunch but I thought we should get underway, in part because our star today is a little under the weather and we should not put too much pressure on him.

I want to begin by welcoming you all here, but especially Ambassador Kawar from Jordan. We're delighted to have you with us. And Ambassador Molloy from Canada, Canada's Special Envoy for the Middle East Peace Process, such as it is.

I'm delighted too have a chance to introduce Rami Khouri. He reminded me that we first met when I was a PhD student doing some field research in Amman and that was many years ago, maybe 30 years ago. At that time Rami was the editor of the English language *Jordan Times*. Since then, he has built a profound reputation as an analyst and commentator on Middle East events. He's spent time here at Harvard University. He is now writing from Amman and some of you may see his wonderful column that he sends out, "A View from the Arab World," and he also writes for the International Crisis Group.

Come February 1 he's about to do something that I think is very exciting; he will become the executive editor of the currently Beirut-based *Daily Star*, which has a vaunted reputation in the Middle East, and *The Daily Star* has joined up with the *Herald Tribune* to distribute *The Daily Star* inside the *Herald Tribune* throughout the Middle East so that this will give *The Daily Star* an audience equivalent to *Al-Jazeera* - something like that anyway.

Rami we asked today to talk about what is going on in Jordan as we face the ramp-up to a military confrontation with Saddam Hussein. The title of his talk is *Jordan First?* And as he'll explain, this relates to some internal developments and policies adopted by the Jordanian government, which relate to the issues of identity and politics. But the context of war clouds on the horizon puts these internal developments in a very interesting spotlight and that's what we wanted him to talk about today.

Rami, the floor is yours. Welcome.

RAMI G. KHOURI: Thank you. Thank you, Martin. Thank you, everybody, for attending.

I've been living in Jordan for the last 27 years or so and writing from there and following developments internally quite closely, and I think the situation in the country now is really at a moment of significant change. And I wanted to share with you my

thoughts about possibly what kind of change is going on, what is actually happening and how we should interpret it.

I think the starting point is to understand what kind of political system Jordan really is, and I describe it as a constitutional tribal monarchy in transition. And if you take those elements, the constitutional tribal monarchy in transition, I think that explains is pretty accurately. It is constitutionally based. There is a system of laws. But it's also extremely tribal. The value system predominantly is a tribal value system. And it is a monarchy and the rule of the king, the authority of the king far overwhelms I think everything else. Clearly the king calls the shots. Despite the constitutional nature of the system, the king has amazing power and is by the constitution above the law. But it's also in transition. There are significant changes taking place.

Now, King Abdullah has been king for three years now, more or less, and there are things, there are patterns I think that we can start to pick out. The most important point that we can see is that there has been very fast and very significant changes in the economic sphere in Jordan over the last three years. Some of it started before the accession of King Abdullah but most of it really accelerated and moved forward very quickly under King Abdullah.

And the fast pace of economic change, I think, has been very striking in Jordan and very successful by and large, though you hear a lot of people in Jordan still complaining. But still, there has been really impressive development in the economic sphere. And I think in this respect Jordan really is out in front of most of the other Arab countries in joining the World Trade Organization, having a Free Trade Agreement with the U.S., an association agreement with the European Union and more importantly using externally driven linkages with these groups to change the whole legal environment within the country. I think this is the really important thing.

The transformation of the legal and economic environment within Jordan over the last three years has been very brisk and I think quite historic. And you see it in things like privatization, the gradual ending of monopolies, the government basically playing a regulatory role instead of being a direct player in the economy and many other aspects and much more private-sector-run businesses. Most of the routine services that we get now that we used to get from the government, we get a lot of it now from the private sector, including water in some cases, telephone, education, healthcare, Internet. Now the post office has been privatized. So there's really been a revolution in the economy in Jordan.

And I think the situation is one in which we are following a kind of modified East Asian model where you have brisk economic reform but almost no political reform, almost no serious democratization, and then you reach a point - the East Asian model was that Korea, Taiwan and other places, they reached a point where people wanted more democratization and they pushed for it. In the Jordanian case, I think we're coming up to that point right now. And I think this is the interesting point that we're at now and it's in this context that I think the Jordan First initiative has to be analyzed and assessed.

I suspect my feeling is that the Jordan First may be the beginning of a serious reform process, and I say may be because we really don't know if it is or not. The words, the signs are quite impressive, quite interesting. What the king and many of his advisors and people around him say publicly and in private is very encouraging. There is a sense among some people in Jordan that this really is the beginning of a political reform process that will match the economic reform process that has taken place. But there's no guarantee of that, obviously. We just have to wait and see.

One of the things about most of the Arab countries, and Jordan is a classic example, is that they're very experienced - that when there is political pressure, whether it's internal or external from the region, they're very good at opening up and relaxing things just enough to defuse that pressure, to take it away, and then they tighten up again. And we may be seeing that happening too; it's just really too early to tell. We have to wait and see.

But my guess is that this probably is the first sign of an appreciation by the king - and it is in the end really the king who drives this process, which is one of the peculiarities of contemporary Jordan, that these reforms have been - almost all of them, political and economic - almost all of them have been driven from the top.

Now, that's good in the sense that you have a leadership that recognizes the need for change and pushes it. It's bad in the sense that if it doesn't come from the top it probably isn't going to come and so that's a bad comment on the nature of the system as a whole. So there's good news and bad news there.

But what you can see in the country now really are five forces competing. Since the liberalization started in 1989 we can see five basic forces that are at play in society and sometimes competing, sometimes overlapping.

Tribalism remains very powerful, the tribal identity, and that's not just tribalism in terms of the East Bank tribes but also among the Palestinians, among the Circassians, among the Armenians: a collective identity based on blood, religion or identity of some sort. So tribalism remains very powerful.

Islamism remains a significant force, though I think it's been dwindling, but Islamism still is a strong force, political Islam.

The monarchy itself is a major factor.

Constitutionalism is the fourth element, which is the rule of law, democracy and human rights and all of those kinds of things. That clearly is a growing element of society. It's still maybe small, but it's becoming more and more vocal.

And the fifth element is the sort of globalized private enterprise, the people who believe that you build a strong, stable, wealthy society by plugging into the global economy and letting the private enterprise system do everything for you.

So those five elements are very much now all competing with one another, and what we had between 1989 and, say, 2001 was the very clear triumph of the tribal and the Islamist dimensions. They dominated society and politics very much. And it's possible that what we're seeing now is a beginning of a transition to where constitutionalism and the globalized private enterprise start to become more important. And the reason this is going on, I think it's very simple. It's very obvious that when King Abdullah took over he wasn't expecting to become king, he suddenly had this thrust upon him. He looked around - and this is my speculation; he didn't tell me this - but he looked around and I think he approached this as he approached all his previous activities, say, as a military commander: he had a mission, he studied it, he looked at his assets, he looked at his liabilities, he looked at the objective. He realized that the country was in rather difficult economic shape and was suffering tremendous internal political stresses and strong regional stresses. And he looked around and he realized that the only hope he could have of moving the country forward is first of all through rapid economic change, and he and his advisors realized that this had to be done through plugging Jordan into the global economy.

So they started doing that around 1999, 2000, and we've seen very clearly this push for economic reform and growth, which has been very impressive in terms of statistics. The growth rate has been between 4 and 5 percent for the last two, maybe three years. The population growth rate is down to around maybe 2.7, 2.8.

So we're getting near a point where the economic growth rate has doubled the population growth rate. That's a pretty good place to be if you're an Arab country today, because there aren't many Arab countries who can say that their economic growth rate is double their population growth rate. And therefore the gross domestic product per capita has been very slowly increasing again.

So statistically speaking Jordan can say that it is a country that is becoming wealthier. In fact, that isn't really felt at the level of the ordinary person in most cases. Most people complain that life is tough and things are expensive, but the reality is that the economy is performing quite well. The basic indicators are quite strong and the trend is quite positive in terms of investments, exports, productivity.

The difficulty is that Jordan has relied heavily on large amounts of foreign aid for the last 15 or 20 years and I think the king realized that this simply was not sustainable, that Jordan could not expect to keep getting, especially from the U.S., $200 to $300 million a year forever - or from the European Union.

So I think it was that realization that you had strong internal pressures with limited aid that's going to come from overseas that you had to make the transition to sustainability through economic growth, which had to come through plugging into the

global economy. And therefore the focus in the first three years was heavily on the economic front.

And the style that the king has used has been very interesting. He has very much led from the top. He started by basically bringing people together, holding these kind of retreats down at the Dead Sea and other places, bringing people from the private sector and the public sector together, mapping out the country's future and then personally holding a lot of people accountable himself, going back and checking on them a month later or two months later, a very hands on style of governance.

And then the second most important thing he did was naming a lot of young, talented Jordanians to positions of authority, first in the economic sphere and then slowly moving into the political sphere. I think the appointment of Marwan Muasher as Foreign Minister is an example of that.

And you're seeing this very slow sort of - like an infiltration of the old guard by these young, talented, largely private-sector-
background people who are holding positions as ministers, ambassadors, department directors, and this is something that's happening quite steadily.

And the bad point of that, the downside of that is that by taking on so much leadership himself the king runs the risk of degrading the credibility of the public service institutionally - that the government as a government runs the risk of being increasingly marginalized.

So, for instance, the king named this Economic Consultative Council about two and a half years ago, which was a group of very talented mostly younger people from the private sector; and they've helped drive economic policy. But this met with great resistance from the government of Abdul Rauf al-Rawabdeh and there was a real tug of war.

So there is a problem of continued leadership having to come from the top, from the king in terms of this detracting from the credibility and efficiency of the government structure itself, and this is one of the problems that Jordan has never been able to deal with. We had this problem in the last ten years of King Hussein's life, where the king himself kept doing things because he felt they needed to be done. And while one could argue that it's good to have an enlightened monarchy doing good things, at the same time if everything is done out of the palace the normal government system atrophies and it becomes inefficient and corrupt and is abused. So the balance between the monarchy and the government system is something that Jordan has to face now.

When the Jordan First initiative was announced, I think we saw the king learning the lessons of the Economic Consultative Council experience where he floated this slogan, Jordan First; he then named a commission of people who got together and studied it and came up with the detailed suggestions that they wanted to propose; and then it was adopted by the government and now the government has started running with this slogan.

The government has taken over the day-to-day administration of this program and its implementation.

So we see there are very interesting - I think - shifts in style of governance, where the king simply takes the lead in broad terms but the mechanics and the implementation and the follow-up are done by the government and people in society.

The Jordan First slogan, when it first came out, was very confusing to a lot of people because nobody really knew what it meant and there were immediately many different explanations. The most common one was a sense that this is Jordan sort of retreating into its own shell, forgetting about its links to events in the region and trying to protect itself, whether from the coming storm in Iraq or from Palestinian-Israeli conflicts or whatever. Most people took it like that and were quite skeptical about it.

The government was explaining it as in terms of having to focus on local issues, preparing people for the elections next spring so that people, really the parties and the voters focus on domestic issues so that Jordan can take care of its own house and if Jordan is strong it can then be of use to Iraq or Palestine or any other pan-Arab cause that the people are concerned about.

When the committee met and produced its report, it turned out to be a much more liberal agenda than people had anticipated. There was a lot of discussion about equal rights, of citizenship, having women in parliament, the constitutional court, issues that many people in civil society and democratic activists had been calling for, for many years, and suddenly these issues were being proposed by the committees set up by the king to look at the Jordan First issue.

And the government set up five committees to study five different issues now that are being looked at. One is the formation of the constitutional court, which has long been a demand of the democracy activists in Jordan: to have a constitutional court to interpret whether the government is acting constitutionally or not, or whether other people are acting constitutionally or not.

The second committee is to look at the political parties law and to come up with a new law to somehow improve the performance of the political parties. There are about 28 parties in Jordan now, and most of them are very small and they have very little credibility. And parliament as a whole has limited credibility. So there's a sense that you need to look at the political parties and somehow get them to be more credible.

The government has been saying that the king has said, several times, he'd like to have three or four parties. I'm very skeptical of forming political parties by fiat from above and I think the king probably will retreat from this after a while because you can't have people dictating, saying, well, let's have three parties, let's have four parties. They won't have any credibility and it will be a bit like the new government in Iraq. If the Americans dictate a new government in Iraq it's not going to have a lot of credibility.

But anything that comes out of the political culture itself will be much more credible with the people rather than being dictated from the top - but there is this look at the political parties law.

The third group is looking at the women's parliamentary quota. The idea is to have a quota of seats guaranteed to women in parliament as a temporary transitional measure for some years until it becomes routine, and then perhaps women can get elected by themselves to parliament. This is something that's been talked about for some years as well and now is being done.

The fourth committee is looking at anticorruption measures and this is kind of interesting that the government would set up a committee to look at anticorruption measures in the government. But this is how things generally are done in Jordan, that these initiatives for change often come from the top and they are effective when they link with people at the grassroots level and there is a real national dynamic. If it remains an initiative from the top it's unlikely to get very far. But there is an anticorruption committee studying now how to deal with issues of corruption and favoritism and abuse of power.

And the last, the fifth group is looking at professional associations and civil society. The professional associations, the doctors, the lawyers, the agricultural engineers, these are the groups that have traditionally played the role of political parties in Jordan. For years and years they represented political forces and they usually they were in opposition, and recently they've been dominated by Islamists. Before they used to be dominated by pan-Arab parties and Palestinian groups. And they're always seen by the government to be sort of troublemakers. The government didn't like them very much because they were constantly opposing the government. And recently there's been a much more confrontational process between the government and the professional associations, and the council of the professional associations was closed. The professional associations also led the anti-normalization drive with Israel, trying to prevent people from having normal relations with Israel or Israeli groups.

So there is an effort to try to revise this whole sector, or not to revise but just to have the professional associations focused on their professional duties to serve the doctors and lawyers and leave the politics for the politicians. I'm not so sure this can be done. I'm very skeptical of this myself and I think the government should just relax, pull back, and let the professional associations do whatever they want. If they want to get into politics, fine, if they want to do medical training programs, fine, but the government shouldn't really dictate to people what they should or shouldn't do. But it's seen as an issue that has to be resolved and there is this committee studying it now.

So we've got this process that's just been launched now, and it's really not clear whether this really is an isolationist process whereby Jordan pulls back from the pressures, perhaps, from a war in Iraq or already from the fighting in Palestine between Israel and Palestine.

But what's been clear is that both the Israeli-Palestinian situation and the Iraq situation have significantly increased the internal pressures within the country and raised the temperature of the political landscape. There have been a lot of complaints by many people in society in Jordan - first of all about the delaying, the postponing of the elections. Twice now they've been postponed. More and more people have been expressing their unhappiness with that. But more importantly, there's a sense among democracy activists and political activists that the government has abused its power by passing too many temporary laws. Something like 115 to 120 laws have been passed in the absence of parliament. The government says most of these laws are related to economic things and had to be done to get into the World Trade Organization and the U.S. Free Trade Agreement and that they're mostly economic laws. Some of them clearly are political, having to do with the press and free speech and demonstrations and things like that.

But there is a growing tension in the country between the desire of political activists or just normal people to express themselves politically - whether through demonstrations or marches or rallies or whatever - and the government sense that this is something that has to be controlled and shouldn't be allowed to get out of hand.

And it's very difficult to see how the Jordan First initiative is going to respond to this tension.

The interesting thing about the Jordan First initiative is that at least on paper so far - and it's still very early, we can't really tell how far it will go - but on paper it seems to respond, it seems to acknowledge and respond to some of the key complaints that people have in the country. And they're mostly about equity issues, issues of equal rights, of equal access to the opportunities of the state, equal justice. And it's not only the Palestinian-Jordanian divide that is often mentioned as the main one in Jordan - that's certainly an issue - but you sense this all over the country, especially when you talk to young people.

There is a great sense of marginalization and even victimization by many people around the country, poor people who complain about rich people, people in the rural areas who complain about people in the cities, people in the provinces who complain about the capital, some religious tensions, some ethnic tensions. You get … fighting with Circassians at the university campuses, these kinds of things, and they manifest themselves in different ways.

But there is a growing sense of unease among many Jordanians about the inability of the country to really develop a system of equality rooted in the law. And this is a big demand that people have, and they express their complaints in talking about corruption, about favoritism, abuse of power - people saying they don't even bother to go to the courts anymore because they don't think they're going to get treated fairly.

Now, of course, some of this is exaggeration; some of this is just some people have no faith in the system to begin with. But there is a general sense of abuse of power

to an extent and lack of equality in society. And it's interesting, I think, and important that the Jordan First committee tackle this head on. And if you look through the document it really talks very much about, and the explanations that people have been making focus very much on, this issue of equal rights for all citizens, equal opportunities. And we'll just have to wait and see, see how the implementation is.

Whether this is a real, serious attempt now to move beyond the economic reform and to start doing political reform remains to be seen. Whether this is just a palliative sort of short-term way to let off steam and to deal with the pressures - maybe it's related to the pressures building up because of what might happen in Iraq. All of these things are possible.

My personal impression is that I think we're witnessing - I'm less skeptical about the change. I think the Jordan First initiative itself is kind of interesting but that's not to me the most important thing. I think the most important thing is if you look at the last three years, you can see a very clear pattern in what the king has been doing and in the process of transformation that's taking place.

You're getting - on a large scale now - the government moving out of the business of economic and service delivery. The government is pulling out of the economy and really playing the role of a regulator only. And the private sector is being allowed to play a much greater role. And there is a very significant movement of qualified, talented, experienced and innovative and largely democratic younger people into positions of real authority in the state. I think this is unprecedented in the Arab world as far as I can tell.

I don't know every single Arab country but I think the nature of change that's taking place within the system is quite noticeable and quite significant. And it's obvious that you cannot start a process, as has been started in Jordan, for instance, to put a computer in every school and start teaching English at the first grade and to plug every school into the Internet - you can't do that kind of thing and at the same time expect people to just be political robots.

I think there's a realization among the leadership that political reform, equality, more serious democracy are inevitable things. But the government obviously felt that it couldn't do those things early on. And my personal sense is that what we're witnessing is the very beginning now of this move into addressing some of the political issues.

The war possibility in Iraq may have catastrophic consequences for this. It may cause the government to become more repressive and to tighten up in the short term. We'll have to just wait and see if there is a war, what kind, how long it lasts, what are the consequences, what are the impacts.

I mean, one of the great fears for the government in Jordan is how to manage the public opinion tensions that would emerge from an American attack and from having an American government based in Iraq, an American-led government or an American-appointed government in Iraq. This would be a real problem for countries like Jordan

where the government has umbilically tied itself to the American economy. I mean, we are structurally linked to the American economy. It's not just that we depend on American aid but our exports to the U.S. are going to be something like $500 million this year and maybe even more. They're growing very fast and aid is rising quickly. We're going to get obviously more aid if there is a war.

So we're talking about economic links with the U.S. that probably account for 15 percent of GDP, just one country. I mean, it's a huge hookup with the American economy and it simply cannot be jeopardized. And the government has said this very openly and very honestly: that they're not going to jeopardize this strategic economic relationship with the United States - while at the same level the public opinion in Jordan is very critical of the United States, and this is going to create some tensions for the government.

I don't know how they're going to deal with it. My hope is that they would find a way to let people express themselves peacefully without necessarily causing internal havoc or anything like that.

Because most people who want to demonstrate against the U.S. don't want to overthrow the government; they just want to demonstrate against the U.S. or against Israel or support Saddam, whatever they want to do. They're not trying to overthrow the Hashemite regime. And I think it's very important for the government to try to figure out that middle ground where you can let people exercise their right to constitutionally guaranteed freedom of speech and political association and at the same time maintain public order and security.

So we're moving into a very interesting phase of Jordan's modern life. And I think we're going to find out in the next year or two whether we're really going to make the push forward now in the political side that we did very impressively on the economic side, or whether Jordan just remains, as it has been, a constitutional tribal monarchy without doing any more transition - just staying as we are with all the nice things that the country has, but at the same time all of the constraints and the problems that it has, the main one in the long run being that it can only be viable economically and politically if it can deal with its economic growth challenges. And my sense is that the only way you're going to ever tap the full strength and vitality and dynamism of the economy and the people is to allow them politically to be much more open and participatory. And I think that's an inevitable equation that I suspect the King of Jordan in his third year has recognized, and he may be starting on steps down this road.

MARTIN INDYK: Rami, thank you. That's very interesting. Let me jump in. One of the things that I was surprised by in your listing of the five basic forces at play was that there was no Palestinianism in there and I wonder if you might explain that, particularly in the context of what's been going on next door in the West Bank in the last couple of years while Jordan has been pursuing this rapid economic change and the beginnings of political opening. Is that no longer a factor? Is that behind us, the issue of

Jordan's Palestinian identity and are the no political forces at play in Jordan that stem from that?

RAMI G. KHOURI: Well, I didn't mention that because I don't think it's an active political force. The Palestinians in Jordan have been pretty largely pacified over the years and they do not constitute a distinct political group, in my opinion.

Now, clearly you have a lot of the people, including members of the royal family, who are of Palestinian origin and who feel very strongly about their Palestinian identity, but you don't have - it was made very clear in the last 25, 30 years that there is no room within Jordan for Palestinian political identity to manifest itself.

And this is one of the reasons, one of the things that we've seen, I think, over the last two or three years is the Palestinian dimension of life in Jordan manifesting or expressing itself in other forms. One form is Islamism because you have the Palestinians moving into the Islamist movement. Another form is constitutionalism. Most of the drive for equal rights, equality, these kinds of things are driven by Palestinians in Jordan very heavily. And the third one is private sector and the global economy, which are very heavily dominated by Palestinians in Jordan.

So I think what's happened is that once the trans-Jordanian political establishment asserted itself starting in the early 1970s, the Palestinians as a political force have been pacified and are no longer a serious force to be dealt with. I don't think they ever were. I mean, the Palestinians never wanted to take over Jordan, I don't think.

MARTIN INDYK: What about 1970?

RAMI G. KHOURI: Well, I don't think they really wanted to take over the country then. They wanted to fire rockets at Israelis, and many of them still do and still try now and then. But I don't think they ever wanted to take over Jordan; they just wanted to express their political sentiments.

But this has been a constant problem for the countries. How do you allow people to express their views, whether it's Islamist views or Palestinian views or pan-Arab views, or pro-Iraq or anti-American or whatever it is - how do you let people express themselves politically while maintaining public order and stability? We're not the first country to have to deal with this issue, but I think we're going to have to find some solutions.

MARTIN INDYK: Okay, I have Judith Kipper and Ibrahim Karawan on my list and if you'd just put up your hand I'll put you down. Judith.

JUDITH KIPPER (Council on Foreign Relations): Rami, I was very interested by your list: tribalism, political Islam, monarchy, constitutionalism and private sector/globalization. What strikes me about that, not only for Jordan but for the entire Arab world, is that the only one of those that even hints of a political idea around which

people can rally is political Islam. And what you just asked - how do we keep social order when we have people who want to demonstrate against all those things? - also strikes me because sometimes demonstrations ought to be for something and maybe a central political idea is what's missing.

I'd like you to take your analysis a little further and look at the larger Arab world, if you could. Why is there everything comes from the top good, bad and indifferent? Why is there an absence of a political idea around which to rally, to move forward in the Arab world - absence of a middle class in most countries, a very rich elite and tons of desperately poor people, including in Jordan, a lack of politics and therefore a lack of debate within societies? And if you say that there is debate inside societies it means that there is some level of tolerance for the view of the other guy.

And I think that this is a virus throughout the Arab world and what I've always asked, I've asked you for the last 30 years, I've asked so many of our friends, common friends, why is the Arab world so passive in light of all these things?

MARTIN INDYK: Rami's got a virus himself.

RAMI G. KHOURI: Yeah. Let me take another Pepto Bismol. Well, that's a very good question and takes a whole other lunch, but my quick answer to that is that I think I've thought about this a lot over the years and I think the real problem is a combination of several things. One was the nature of the transfer of power in the post-colonial period. The way that power was given to the ruling elites at the end of the colonial period, combined with the locking in of the region by both the Cold War and the Arab-Israeli conflict starting in the late 1940s, meant that the power structures in most of the region, in most of the countries for most of the last 50 years were absolutely frozen. There was no chance to do anything very significant politically, really, and there was very little political change in any Arab country.

JUDITH KIPPER: Can you explain why?

RAMI G. KHOURI: Well, since the Cold War and the establishment of Israel really the second part of the 20th century -

JUDITH KIPPER: (Off mike.)

RAMI G. KHOURI: Well, with some exceptions but military coups, mostly military coups. No real change in the basic power being held. Changes in the personalities but no real significant changes in the flow of power or how power was exercised in society - that whether you had a monarchy or an Army coup the average person, the citizenry did not have a say in how their countries were run or the policies of their countries.

So I think there's a combination of the exercise of power being locked in for half a century, combined with two other things. One is for the average Arab person for most of

the last half a century, life has been getting incrementally better, incrementally better for the last half a century. What I mean by that is that the average person gets up every morning, they look around and their kids, most of them go to school, most of the people are living in a reasonably modest, appropriate local house. They're clothed, they're fed. Very few people are dying of starvation in the Arab world. Most people have access - except for remote areas of Yemen and Morocco - most people have access to hospitals and medical clinics.

And there is a basic sense of stability, and there's enough freedom to go out and look for a job or start a business that generally the positive things in the average person's life were incrementally better than the negative things, and therefore there was no real need to cause a revolution.

The third reason is the powerful sense of security and identity that comes with a social system and a religion. The tribal identity and the religious identities - tribal meaning just Arab cultural values, whether it's village level or tribal level - those are so powerful they take the place of what you would normally expect to receive from the service delivery of a sovereign state like medical insurance or pension funds or schools or whatever, that these things are provided, and the sense of identity itself is provided by non-state institutions.

So I think the combination of all those things explains this sort of passivity that we witness. And people do get angry at domestic treatment, how the governments treat them, how the private sector treats them, how other people treat them. People get angry at what Israel does or what the U.S. does or other people might do and they will want to demonstrate and make their views known. But you haven't had a situation in the Arab world for ages where you have a revolution. I think the last one maybe was the overthrow of Numeiri, maybe, in Sudan - I mean, a real revolution overthrowing a government, and most of those things happened for domestic reasons as well, not because of Israel or the U.S. or Turkey or things like that.

MARTIN INDYK: I have on my list Ibrahim Karawan, Jillian Schwedler, George, Rafi Danziger and Said Arikat.

IBRAHIM KARAWAN (Middle East Center): Thank you very much.

I have two questions. One, Rami, you mentioned that at certain times King Abdullah intervened in certain areas in a way that got the government bureaucracy not terribly happy about that and so on. But I'm intrigued by that, because after all it was the inefficiency and the lack of responsiveness on the part of the bureaucracy that prompted that intervention. I also assume from what I read about it that it was quite selective. It was not a massive kind of wholesale intervention. And perhaps the government bureaucracy reaction was a typical foot dragging or pouting against being called inefficient, to be followed by some change in the immediate sectors that the king thought were economically pressing and politically relevant. So in that confrontation, any day of

the week I would side with King Abdullah than with the government bureaucrats in downtown Amman who were demoralized by his intervention.

But the second question is the issue of unemployment - the politics of unemployment or the unemployed youth, even in a relatively successful case as Jordan. I noticed that your examples centered around growth, but growth does not necessarily mean dealing effectively with the issue of unemployment, especially in the initial and intermediate stages of privatization, which it tends to increase during that time.

So if the rate is high - and I suspect it is significantly high - and people spend 16, 17 years getting education to wait for some job that may or may not come after a number of years, then you have a ticking time bomb there that you don't know when it is going to explode.

If this is the situation in Jordan, which doesn't have a vast demographic base and has better-off economic conditions, and I think enlightened leadership, then I don't know what is happening in other Arab countries. So could you please tell us something about the vision of the Jordanian leadership with regard to how to deal with this particular problem? Thank you.

RAMI G. KHOURI: Thank you. You're right, I mean, unemployment is one of the important issues. But first of all, in absolute terms unemployment must be somewhere around 15 percent. I mean, you hear people say anywhere from 12 to 20 percent, but I think it's probably around, real unemployment is probably around 15 percent. In absolute terms you're talking about 150,000 people.

IBRAHIM KARAWAN: What about the regional variation?

RAMI G. KHOURI: It doesn't vary that much. I mean, you get it more in the big cities, obviously, because people migrate to the big cities and don't find jobs. But in absolute and relative terms it's a manageable problem, manageable meaning that it hasn't yet caused any serious political impact. But the danger signs are there.

I mean, first of all you have to remember again this point I made about the role of the culture. Unemployed people tend to get support from their family, from their tribe, from their religious institutions, from their neighbors. There are a lot of programs in the country run by the government and by NGOs and others to address the needs of unemployed people. There's a productivity program now being handled by the planning ministry. There's a tremendous amount of focus on this sector but without a lot of results so far - but at least people are paying attention to it.

The point there being that unemployed large numbers of people don't necessarily translate into political turmoil, as they did in places like Algeria or in other places. Though the recent fighting in Ma'an in the south of Jordan is an important red warning flag I think because I went to Ma'an. And I did a study and it's coming out I think next week, the International Crisis Group, we're publishing a study that I did on Ma'an and I

talked to the people and I talked to the government and everybody. And one of the things that we discovered was that in Ma'an you had the combination of high unemployment, lack of a black economy. Like in Amman or Zarqa or Aqabah unemployed people could work informally, but in Ma'an there was no opportunity for that. There was nowhere for these guys to go except to the mosques, and some of them turned to militant Islamism, a violent form of Islamism that is not widely present in Jordan. But in Ma'an it turned into this violent form, these guys running around carrying guns and using them.

So there is a potential danger in the long run of large numbers of unemployed young people being politically violent. But I think it's still something that is manageable and I don't think it causes the kind of problems that we can see in other countries.

MARTIN INDYK: Thank you. Jillian.

JILLIAN SCHWEDLER (University of Maryland): Thank you. Rami, when I was in Jordan last summer I heard a lot of complaints from activists as well as government officials and former government officials about the extent to which the king seems to be surrounding himself with technocrats and relying heavily on intelligence more than had been the case with King Hussein, and people that saw themselves as reformers felt like they've been shut out. This you can see in the Chamber of Notables that was appointed in February, I think it was, which hasn't met yet, a number of people -

RAMI G. KHOURI: The what?

JILLIAN SCHWEDLER: The upper house. A number of people that saw themselves as reformers were left off the new chamber and have complained about this.

And so I wondered if you could comment on that - comment on the extent to which people have been complaining about the return of the Mukhabarat to Jordan and comment about that, in light of what you otherwise presented as a generally positive trajectory?

RAMI G. KHOURI: That's true and I should have mentioned that. There is a widespread criticism of the excessive resort to security measures to deal with what are essentially political or economic problems. The king, I think - my sense is that he's aware of this and my sense is that assuming that he wants to make all these reforms - let's just assume that, whether it is or not but let's assume he does - and he says this: He can't do all these things at once. He can't reform the security service and the political structure and the economy and the high tech and the this and that, so his strategy has been to start with the economic stuff because he knows that's the most vulnerable in the long run. If the economy gets worse then everything else is going to be a real mess.

So his strategy seems to have been to start with the economic stuff and then move into the political things. He has been making changes in the security services and my understanding is that he wants to keep making more changes and that I think we will see more of these things happening.

He does recognize the complaints that people have about the interference of the Mukhabarat. One of the interesting new things in the country in the last, I would say, maybe five years or so, you could see this in the last years of King Hussein's life, people were speaking out more about the Mukhabarat. People were less fearful of criticizing the security services' intervention. For instance, in the press people speak out much more openly about why are the Mukhabarat telling us to do this or not to do this. They would never have spoken like that 10 or 20 years ago. The people would have been much too scared.

So what's happening, and I predict that we're going to see this within the next month or two, is there's only two taboo issues in Jordan left. One is the security services and the other is the monarchy. I mean, you cannot publicly in Jordan talk about the monarchy as we do here.

MARTIN INDYK: Or as they do in England.

RAMI G. KHOURI: The other one is the security services. Everything else now in Jordan - you can talk about religion, you can talk about child abuse. There were a lot of taboos but they've all gone. The only two taboos left are the monarchy and the security services, and I predict that the security services will become an issue that is acceptable for public debate in coming months. We've seeing the groundwork being laid for this.

Because they've overstretched themselves, they've interfered in many different fields, people are starting to react to them. People are expressing their discontent and disenchantment and they're saying so publicly.

How the king does this I couldn't predict, but I think this is going to happen, and people are very clearly telling this to the king and speaking in political circles that we cannot rely on security methods to achieve security - that you achieve real security by social justice, economic opportunity, political equity, and things like that.

And I think this is one of the hopes that the king has of the Jordan First - is that it will start a discussion on some of these issues and axiomatically it will address the issue of relying excessively on security methods to bring around security.

MARTIN INDYK: George.

GEORGE HISHMEH (Gulf News): Thank you. Rami, two issues I noticed that you haven't mentioned is education reform. Is there this issue in Jordan for discussion? The other thing is the press freedom laws. I thought as a journalist you'd probably dwell on that.

But my real question is will the war in Iraq, the establishment of an American puppet regime there or an American occupation -

MARTIN INDYK: We call it democracy. (Laughter.)

GEORGE HISHMEH: Okay, all right. Indyk calls it democracy. (Laughter.) Or the preoccupation with the war in Iraq and Palestinian fears of ethnic cleansing or a population transfer from the West Bank to Jordan - will that upset the Jordanian at the heart?

RAMI G. KHOURI: The answer is yes, it would cause a lot of pressure on some of the anticipated reforms. And my guess is that what we'll see is in the short term you'll probably see more tightening up, more of what we've seen in the last year and a half, which is using the temporary laws and passing laws without parliament being in session, using security methods, preventing people from demonstrating in the short term. And then in the longer term I think there has to be an opening up. Once the situation with Iraq at least is handled, Palestine may go on for longer, but I think there's a growing realization among the king and his people that these issues cannot be forever dealt with by preventing people from demonstrating or suspending parliament. I think they use these as short-term methods, but these are very short-lived methods. They can't be done for very long.

So I would anticipate that yes, Palestine and Iraq will cause problems in the short run and managing the public opinion pressures is going to be one of the great challenges for the country.

I've heard various suggestions from people in the government about how they might handle it, but you get a very wide range of views. And this is related to the fact that we are witnessing a transition in generations. I mean, there is this young generation coming into power while the older generation - some of them feel sidelined and marginalized but some of them are still in positions of authority. And the king is very aware that he cannot just come in and take away this whole generation of the last 30 years, 40 years that's built up and run the country; he can't just sideline them at one fell swoop and bring in all of these younger people.

The education system certainly is undergoing significant reforms and will continue to do so at a very rapid pace. The real problem there is teacher training. Retraining the teachers, tens of thousands of teachers is really the single biggest obstacle, but that process has started and will continue.

And the press situation is pretty much frozen right now. The press remains rather subdued and the government still directly interferes in some of the newspapers that it owns and others that it guides and the government-owned mass media. The Jordanian press unfortunately has been going through a bad patch. It's pretty mediocre, I think, on the whole. There hasn't been any significant attempt from within the press to raise standards. There is a new media council that was just appointed, run by Ibrahim Izzeddine, who's quite an enlightened, important figure in the country. He was very

instrumental in the initial liberalization and democratization from '89 to '93 with Sharif Zayd's government and he's heading the media council now.

So I would anticipate very, very slow changes in the press, but the press reflects the wider political culture, so you're not going to get a much more vibrant press until the political culture as a whole opens up.

MARTIN INDYK: Rafi Danziger.

RAFI DANZIGER (AIPAC): (Off mike.)

RAMI G. KHOURI: What was the last question, tourism?

RAFI DANZIGER: (Off mike.)

RAMI G. KHOURI: Yeah, the tourism question. Yes, clearly the Intifada and regional tensions, including occasional travel bans on Jordan and other places, have had an impact mostly on Americans. European tourists less so - they keep coming and there's been a compensation for the drop in American tourists by an increase in tourists from the Arab countries. So there has been a net drop of probably around 15 percent in the tourism sector, but it's still a pretty vibrant sector.

You're right that the situation I describe, it's statistically accurate. There is this 4 to 5 percent growth rate but it's statistical. It's a growth that's largely driven by increases in foreign aid. So the macroeconomic picture looks quite good but ordinary Jordanians still complain. So there is a problem there between reconciling these two things.

I think if we hadn't had the changes, legal changes and Free Trade Agreements and all these things in the last five or six years, the situation would be a lot worse, because you've had something like 30,000-40,000 new jobs created in various trade, foreign trade-related activities, and there's been quite a good record of job creation internally to absorb the new graduates and people looking for jobs. So the situation could have been much, much worse than it is now.

But I think it's clear also that this is not sustainable. You can't expect to keep growing like this based on a lot of foreign aid and this is why there's this frantic effort to redo the whole economy by having growth based on productive exports plugged into the global economy.

MARTIN INDYK: I have five more people on my list and I think we have to close it there. Next is Said, then Geoff Kemp, Asal, Hillel Weinberg and Alan Makovsky. Said?

SAID ARIKAT (Al Quds): Rami, I'm struck by the policy that has overtaken the people of the region, I mean seeing the decimation of the Palestinians next door - indeed, you know, the impending doom that is about to befall the region and leave them

devastated and impoverished. And I wonder if the Jordan First catchphrase was not a nice cover to really throwing up your arms up and down, saying I really am unable to do that. And on the security issue, isn't it that really the excessive reliance on security and indeed in the whole Arab world, not only in Jordan, is because American-Arab relations have been reduced only to security arrangements? Thank you.

RAMI G. KHOURI: Well, security and economic relations I would say American-Arab ties - I mean, the two are probably linked. There is a strong sense by many people in the country that the Jordan First is designed to shield Jordan from the regional pressures and to prevent people in the country from turning to an emotional excess, fervent pro-Palestinian, pro-Iraqi, anti-American, anti-Israeli sentiment that would be emotionally satisfying but politically catastrophic for the country, or economically catastrophic if the U.S. were to reduce its aid. So there are many people who believe that, that the Jordan First thing is designed to isolate Jordan from the wider Arab world.

I honestly think it's too early to tell. I'm not saying no, I'm not saying yes; I don't know. The Jordan First program was marketed with a sort of incompetence that is Olympian in its proportions. I mean, it was so poorly marketed. It was really very badly presented. It wasn't clearly explained. The king said something, the prime minister said something, somebody else said something, the editorial writer said something else. It created instantly all these different interpretations. Most of them were either you had the pro-government people just saying all of the wonderful things about it and then you had all the critics saying all the negative things. It was really a huge mess. It was very, very poorly handled, showing that the king's economic advisors are a lot better than his media advisors.

But the reality is we don't know how this thing is going to play out. The government has made its views pretty well known about what they think Jordan First is, and they've put a pretty rosy spin on it. And my impression is that we shouldn't judge them just by what they say about it. We should judge them by their total behavior in all the sectors of the country. And if you look at all of the things that the government and the leadership are trying to do, it becomes a little bit more convincing because there really is a process of significant change taking place in the country. And if this is now going to move to the political level, then that's a good sign, but we'll just have to wait and see.

SAID ARIKAT: (Off mike.)

RAMI G. KHOURI: Well, this goes back to the question that Judith asked as to why this passivity, this lassitude, this acquiescence that ordinary Arabs have. I mean, people demonstrate in Italy and Spain or in Israel even in some cases for various things more than they do in the Arab countries.

It's very difficult to explain. My only explanation is that what you're seeing is the consequence of internal pacification over about half a century where people simply don't

have the chance to demonstrate and express themselves very much, and there's a certain lack of credibility in the political institutions, so people don't take parliament very seriously. The legal system, often people say, "Well, maybe the courts can do something, maybe they can't." There is this general lassitude that you have throughout society.

And people have been used to sitting and watching the Western powers, the Brits and the French before and now the Americans, doing what they want, reconfiguring the region. And there's a kind of macabre voyeurism at play here where you just sit around and watch the stuff happen and it's happening to you and there's not much you can do about it, except for those few individuals who got off and started bombing things and started storing gas in London and doing things like that.

So I think the ultimate reaction unfortunately might be a kind of a mass urban indiscriminate terror that people might try to unleash - which won't solve anything either, of course, but this is one of the, I think, increasing likelihoods.

MARTIN INDYK: Geoff Kemp.

GEOFFREY KEMP (The Nixon Center): Rami, I'd like to press you a little bit more on upsetting the apple cart. Now, if you assume there is going to be regime change in Baghdad, there are, as you know, in this town dozens of different scenarios as to, (a), how that could happen and, (b), what will be left at the end of the day.

Sitting from where you are in Jordan, what of the various alternatives are most palatable to Jordan, which will create the least problems for the apple cart? Hashemite monarchy, General Franks, exiles coming back to run the place or another strongman who comes to power as a result of a coup in the early days of the war? Which scenarios can you live with? Which are the nightmares?

RAMI G. KHOURI: I think the most important thing for Jordan in the short run is the internal political impact in Jordan of an American-installed regime in Iraq, because that would create really strong political pressures within the country. People would be really angry about that. They would want to manifest their anger and then it becomes a question of how you manage angry public opinion.

The economic side is the second one, Jordan gets great benefits. Iraq and the U.S. are now almost equal in terms of their economic importance to Jordan in terms of aid that we get and trade that we send them, but the U.S. will overtake Iraq very soon in terms of our economic trade partnership.

But Jordan will want to make sure that we maintain trade opportunities with Iraq. Whether we keep getting aid from them is unlikely. I don't think the next government is going to give us a lot of free oil like we're getting now.

The specter of fighting within Iraq or instability in the country is one, of course, that Jordan fears because that could easily spill over into problems throughout the region.

So I would say, given all these things, the most acceptable or the least bad situation would be a kind of a Saddam Lite, a kind of less Stalinist-type dictator, a kind of Syrian model of governance in Iraq: a tough security-minded police state but one that also gives you enough openings to do other things so people can live their lives in society and to come and go and travel.

I think the idea of a smooth transition to a democratic regime - I think Jordan would be happy if that happened. I don't think we'd have any problem with it. And I think stories like the one in today's *New York Times* are vastly exaggerated about how democracy in Iraq or anyplace in the region is such a great threat to the Arab countries. I think this is Orientalist racist nonsense. I think most of the people in the Arab world would be delighted if they could have democratic regimes, but I think there's a problem if they're asked to enjoy this at the munificent hands of the American army. That's the problem, that democracy itself is something that most people in the Arab world would welcome. The regimes would be obviously more concerned about it, but most people would welcome it.

And I think if this were to happen in Iraq, Jordan would have no problem with that, I don't think. But it's unlikely to happen. The more realistic thing is a kind of a tightly, centrally run country, which would gradually evolve. I mean, I think the more realistic scenario throughout the region is for a slow evolution. As long as people keep getting educated - and this is the East Asian model too where you can have fast economic growth and then with education and healthcare - people will demand their economic freedoms and I think we're going to see that.

MARTIN INDYK: We're going to finish at 2:00. We have a commitment to do that. So I'm going to ask the last three people to ask their questions and, Rami, maybe you can just take note and try to answer them all briefly.

ASAL AL-TAL (Embassy of Jordan): Thank you. I would just like to briefly comment on your remarks on the Palestinian resistance back in the 1970s. I personally believe that the Palestinian resistance was actually trying to overthrow the regime in Amman; they were not merely firing rockets at Israel. And I would like to cite three examples from the Jordanian history at the time. The Palestinian resistance motto was power to the resistance, which was (in Arabic). It was written all over cities in Amman. The Palestinian resistance at the time assassinated the Jordanian prime minister and many attempts were made on His Majesty King Hussein's life at the time. So I just want to close by saying that I think both national identities, Jordanian and Palestinian, evolved differently since then. That's it. Thank you.

MARTIN INDYK: Thank you.

Hillel and then Alan.

HILLEL WEINBERG (House Committee on International Relations): Thank you. I wonder if could comment on the internal political view of military and the military's current role. We had this in mind because there is a request for F-16s, which are going to considerably burden the aid package for years, and I think the military need for these is hard to fathom.

MARTIN INDYK: Some requests never die.

Alan?

ALAN MAKOVSKY (Office of Congressman Lantos): I wonder if you could just comment specifically on whether there is any support at any level in Jordan for the notion of a Hashemite rule.

RAMI G. KHOURI: In Iraq? (Laughter.)

ALAN MAKOVSKY: No, Saudi Arabia. (Laughter.)

RAMI G. KHOURI: Well, there have been discussions. People in the royal family have talked about it, different people in the royal family. There's a kind of jockeying among some members of the royal family. But I don't think it has much credence beyond the Hashemite royal family frankly. I don't think there's any popular support to bring back a Hashemite monarchy in Iraq. I haven't heard anybody -

ALAN MAKOVSKY: But you think it does have credence at some levels of Iraq?

RAMI G. KHOURI: Well, among some of the candidates, perhaps, some of the potential - but not widespread. I don't think it's widespread.

ALAN MAKOVSKY: I really meant more in the palace among decision-makers.

RAMI G. KHOURI: Yeah, I couldn't tell you. I mean, I couldn't tell you, for instance, what the king thinks. I don't know. You've had to ask him. But I've talked to other members of the royal family, some of whom are potential candidates. And they've kind of wondered about it and there's been meetings in London. But I don't think it's very serious, personally.

I don't rule out though - there's one scenario that I don't rule out, which is that if you had a really awful situation in Iraq you might have the Hashemite transitional figure possibly come up as the most widely acceptable transitional solution - say, put in a Hashemite leader for a year and then move on to a democratic regime possibly. I don't rule that out, but I don't really think it's very serious. The Hashemite monarchy was not that deeply entrenched in Iraq. It didn't last that long. It was not indigenously rooted. It

was basically put there by the British. So it doesn't go back hundreds and hundreds of years.

About the military, I can't comment very much on the military. I mean, I don't know the military, I don't deal with them. I really couldn't tell you anything about that. I have to plead ignorance.

But what I can see is that the military in Jordan is completely under the control of the monarchy. I don't think the military itself has any kind of independent political role whatsoever. There are linkages between the military and the tribal base, of course, which is very important. But the military is quite de-politicized and quite under the control of the Hashemite leadership.

ALAN MAKOVSKY: (Off mike.)

RAMI G. KHOURI: Well, historically the military has been a key institution of state building - and more than state building, patronage, jobs, medical care, education, community remittances. The military in Jordan is not just for security. So in that respect I think the answer is probably for some time more the military, as opposed to, say, the Mukhabarat or the police - I think the army and air force would have almost cart blanche. There is a sense that they should be given the best equipment, the best training, et cetera, et cetera, and people see them as performing a national duty. I don't think people realize that if we were ever attacked by a big neighbor like Saudi Arabia or Syria or Iraq or Israel or something like that our military is pretty small, but it's seen to have an important security function. But more importantly than that, it's seen to have a nation building function and I think at that level it will get a lot of support.

And on your comments, well, it's a question of interpretation. There was a war between the resistance and the regime and there may have been some individuals in the resistance who wanted to take over, but I don't think it was a common Palestinian demand.

MARTIN INDYK: Well, I can think of one individual that the king certainly thought wanted to take over. (Laughter.)

Rami, we've exhausted you and I think you have exhausted the topic in a very positive way and it's been, I think, a great presentation, a great discussion. We've all learned; I certainly have from you as usual, so thank you very much and please get better.

(Applause and end of event.)

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