Oil, Globalization, and Political Reform

Convener:
Shibley Telhami

With contributions by:
Benjamin Smith
Michael Ross
Steven Heydemann
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ABOUT BROOKINGS

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A SABAN CENTER AT THE BROOKINGS INSTITUTION REPORT

The Doha Discussion Papers provide testament to the opportunity for renewed dialogue between the United States and the Muslim world. Written specifically for the U.S.-Islamic World Forum’s three task forces, they have been edited and compiled into separate volumes on Governance, Human Development and Social Change, and Security. The Doha Discussion Papers bring together the major papers and responses that frame each of the task force discussions. They include as well a summary of the off-record discussions at each of the task force sessions held at the U.S.-Islamic World Forum.
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When it comes to relations between the United States and the Muslim-majority countries, too often diatribes and stereotypes substitute for genuine dialogue and mutual understanding. The annual U.S.-Islamic World Forum, held in Doha, Qatar, brings together key leaders in the fields of politics, business, media, academia, and civil society from across the Muslim world and the United States for three days of carefully structured discussions. The Forum seeks to get beyond the empty rhetoric and mutual accusations and address the critical issues actually confronting the United States and the Muslim world by providing a unique platform for frank dialogue, learning, and the development of positive partnerships between key leaders and opinion shapers from both sides. It includes plenary sessions, smaller task force discussions focused on key thematic issues like governance, human development, and security, and initiative workshops that bring practitioners from similar fields together to identify concrete actions they might jointly undertake.

The theme of this year’s Forum was “Common Challenges,” as 2009 presents, for both the United States and the Muslim world, an opportunity to work together to address and resolve the major issues of our time. Opened by H.E. Abdullah bin Hamad Al-Attiyah, deputy prime minister and minister of energy and industry of Qatar, the Forum featured keynote addresses by former U.S. Secretary of State Madeleine Albright, Malaysian parliamentarian and opposition leader Anwar Ibrahim, Iraqi Deputy Prime Minister Barham Salih, and commander of the U.S. Central Command Gen. David Petraeus. Plenary sessions focusing on various aspects of the future of U.S.-Muslim world relations included such luminaries as Aitzaz Ahsan, president of the Pakistani Supreme Court Bar Association; Nashwa al-Ruwaini, CEO of Pyramedia Ltd. and host of “The Million’s Poet”; U.S. congressmen Brian Baird (D, WA-3) and Keith Ellison (DFL, MN-5); Thomas Fingar, former chairman of the National Intelligence Council; Hala Lattouf, minister of social development of Jordan; Pakistani journalist Ahmed Rashid, author of *Descent into Chaos*; David Rubenstein, co-founder of the Carlyle Group; Ismail Serageldin, director of the Library of Alexandria; and Bouthaina Shaaban, minister and political and media advisor to the President of Syria.

These Doha Discussion Papers seek to capture the rich discussions that take place between U.S. and Muslim world leaders in the Forum’s task force sessions. Edited and compiled into separate volumes on Governance, Human Development, and Security, the Doha Discussion Papers bring together the major think pieces and responses that were prepared for and framed each of the task force discussions. Included as well is a summary of the off-record discussions that occurred in each of the task force sessions. We hope you will find them as stimulating as the participants in Doha did.
On behalf of the entire Saban Center at Brookings, we would like to express our deep appreciation to HRH Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, for making it possible to convene this assemblage of leaders from across the Muslim world and the United States. We are also appreciative of the support and participation of HE Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, the Prime Minister and Foreign Minister of Qatar. We would also like to thank HE Mohammed Abdullah Mutib Al-Rumaihi, the Foreign Minister’s Assistant for Follow Up Affairs; Abdulla Rahman Fakhroo, Executive Director of the Permanent Committee for Organizing Conferences; Malik Esufji, Director of Protocol, and the entire Ministry of Foreign Affairs staff for their roles in ensuring the successful planning and operation of the meeting. Finally, we would like to thank Hady Amr, Peter W. Singer and Shibley Telhami for convening the Task Forces, as well as Aysha Chowdhry for her hard work in compiling and editing these volumes.

Sincerely,

Ambassador Martin Indyk
Director
Saban Center at Brookings

Dr. Stephen R. Grand
Fellow and Director
Project on U.S. Relations with the Islamic World
Introduction

SHIBLEY TELHAMI

It has been a tradition of the U.S.-Islamic World Forum to include an annual task force on governance and reform. The 2009 conversation about these issues which highlighted the impact of oil and globalization on reform efforts marked a shift in focus that was in part informed by the previous sessions and in part by the shifts in the broader perceptions about the nature of relations between the United States and the “Islamic World” as the Obama administration took charge of American foreign policy.

The issues of governance and reform were obviously important for the region and have been debated and discussed for decades. But they emerged as front burner issues for U.S. relations with Muslim countries particularly after 9/11, and following George W. Bush’s focus on spreading democracy as a central theme of American foreign policy. Whether or not this issue will endure as a priority in the post-Bush era remains to be seen. But there can be little doubt that, from the point of view of the future prospects of many Muslim countries and particularly those in the Middle East, the issue of political reform will remain central.

Still, there is no escaping the fact that the discourse about reform and governance in Muslim countries was highly influenced by the way the Bush Administration defined the issues and the way they related to American interests. To begin with, the very notion of speaking of reform in the “Islamic world” assumed a world that had more commonality than divisions and one where the Islamic characteristic was assumed to account for much of the behavior or conditions. At the outset of organizing the U.S.-Islamic World Forum, the initial conveners at the Brookings Institution, of which I was one, understood the potentially problematic nature of defining an “Islamic World” and contemplated alternate ways to characterize the issues. It was understood that, by virtue of adopting conventional discourse one might risk re-enforcing the mistaken notion that the characteristic of being predominantly Muslim, whether religious or cultural, accounts for more than it actually does in countries and regions of interest.

But there was also a sense that one cannot escape the existing discourse and that by virtue of dialogue and objective analysis, we can contribute to correction of mistaken assumptions and add to our understandings of issues of interest while enhancing U.S.-relations with Muslim-majority countries. It was also clear that, whatever the relative importance of religion and culture in explaining the conditions...
and behavior of these countries, 9/11 and the subsequent American reaction elevated the sense of Islamic identity in Muslim courtiers where many interpreted the American “war on terrorism” as a war intended to weaken Muslims.

This sense was particularly true with the Bush Administration’s advocacy of spreading democracy, that most Muslims never took seriously as they believed it was primarily a tactic intended to gain support for an Iraq war most Muslims rejected. Generations of Arabs since the Second World War interpreted freedom to mean first and foremost freedom from imperialism and foreign domination. The notion that American forces could occupy Iraq to bring freedom to its people seemed highly paradoxical—even aside from the anarchy and the suffering that war initially brought to Iraq. And the Bush Administration rejection of the results of elections in places like the Palestinian territories when Islamist groups won, posed a real challenge to the credibility of American advocacy of democracy expansion.

Still, the theme of the role of outside powers in helping spread democracy was an important issue of dialogue. If the instruments employed by the Bush administration were inappropriate, or the aims too grand, are there effective means available to outside powers to help prod reform in Muslim countries? And what role can and should Islamist political parties play in governance and reform? These were the subjects of the 2008 Governance and Reform Task Force that led to an excellent set of essays by leading scholars and analysts from the United States and the region.

In 2009, there was a conscious shift away from religious-cultural factors, to focus more on economic and global trends and to view Muslim reform efforts in global perspective, relying primarily on social scientific work. With the dramatic ups and downs of the oil markets in recent years and their consequences for financial markets, there was a need to examine the consequences of these shifts not only for the economies of oil-producing states but also for their politics—particularly their reform efforts. Additionally, the theme of globalization which was far more central in the discourse of the 1990s, has primarily focused on the impact on publics and economies—and to some extent non-state actors. Most of these effects were thought to produce liberalizing effects. But what of the role of autocratic regimes? Can they exploit international interdependence to their advantage and use it to coordinate among themselves and consolidate their power?

To address these issues, we invited three first-rate political scientists who have written extensively on these issues. The essay by Professor Ben Smith of the University of Florida tackles the issue of the relationship between the ups and downs of the oil markets and serious reform efforts in some Muslim and non-Muslim countries—thus adding a helpful comparison. Here, there is much literature in political economy that linked “rentierism” of the oil-producing states to the absence of reform. This feature of oil economies, where income accrues directly to the state, not from taxation of citizens, is thought to reduce the demands for political participation while giving governments resources to buy the loyalty of citizens and social groups.

There were expectations that major and sustained drops in oil prices would produce demands for political participation and reduce the government’s ability to co-opt or coerce its population. This would in turn put pressure on regimes to reform. Yet, Smith argued in his book, Hard Times in the Land of Plenty (Cornell 2007), that there was little evidence that downturns in the oil markets produced serious reforms in many oil-producing states and is largely dependent on the depth and breadth of the ruling coalitions.

In the paper to follow, Smith speculates that the current downturn in oil prices may produce change in places like Venezuela, but unlikely in the Middle
East. “The main reason is that few governments in the region have embarked in the last decade on politically transformative projects likely to catalyze the crises necessary for dramatic change. Without such transformations, the ruling coalitions that carried regimes through the 1990s still remain basically intact.”

In a bold paper that expands on an important article that professor Michael Ross had published, he tackles the issue of women’s participation in the economic and political spheres in Muslim countries. Starting with the observable fact that women in the Middle East, in particular, have made less progress in the economic and political arenas than in any other region in the world, he sets out to explain this phenomenon. In a well-argued and well-documented study based on considerable data, conducted comparatively, he argues that religious and cultural aspects do not appear to explain the slow progress in women’s participation. Instead, he suggests that the oil economies of Middle Eastern states, more than any other variable, explain not only the low participation of women in the economic sphere but also, consequently, in the political sphere.

Dr. Steven Heydemann reminds us that the impact of global openness and coordination is not only on social groups, NGOs, and individuals who now have unprecedented access to information and the means to coordinate across state boundaries—but also on autocratic governments which have learned to coordinate globally in order to consolidate power. Arab regimes in particular “have embraced an alternative strategy of ‘authoritarian globalization,’ becoming more deeply embedded in newly emerging global authoritarian networks.” In the process, they have been able to immunize themselves from the impact of Western pressures for reform.

Together, these highly analytical, social-scientific essays provide deep insights into the slow reform efforts in the Middle East region in particular. They also move the discourse away from the distorted emphasis on religion and culture—which are certainly important in the lives and behavior of people and states in the region—but not nearly as important as they were made out to be in the immediate aftermath of the 9/11 tragedy.
The New Petromercantilism:
Oil, Development and the State in the 21st Century

Benjamin Smith

Benjamin Smith is associate professor and associate chair in the department of political science at the University of Florida. Before arriving at UF, he was an academy scholar at the Harvard Academy for International and Area Studies, founded by the late Samuel Huntington. Smith’s first book, *Hard Times in the Lands of Plenty: Oil Politics in Iran and Indonesia*, was published in 2007 by Cornell University Press. He has also published articles on the politics of resource wealth and authoritarianism in *World Politics*, the *American Journal of Political Science*, the *Journal of International Affairs*, and in other journals and edited volumes. Smith received a B.A. from Claremont McKenna College and M.A. and Ph.D. degrees from the University of Washington in Seattle.
The Saban Center for Middle East Policy at BROOKINGS

ABSTRACT

In Hard Times in the Land of Plenty (Cornell 2007) I argued that political and fiscal challenges at the onset of state-led development in the 1960s explained patterns of regime durability and vulnerability in Iran, Indonesia, and other exporting countries during the 1970s and 1980s. In this essay I revisit the ties between state-led development and the potential for political reform in today’s oil-exporting states. The early 21st century has seen a new wave of oil- and gas-funded mercantilism in Russia, Venezuela, and Iran as a result of the late 1999-2008 oil boom. Only in Venezuela, however, do recent price drops seem to have a reasonable prospect of leading to political reform. Moreover, there has been no such move among Middle East oil exporters toward greater state control again, suggesting likely stasis rather than much change as a result of oil price fluctuations.

INTRODUCTION

In the 1990s and into the first years of the 21st century, it appeared that the era of heavy state involvement in the economies of developing countries was in rapid decline. The Washington Consensus, urging privatization, lowering of tariffs and in general the opening of markets to global interdependence generated a wave of open-economy reforms across the developing world. In the last five years or so, however, a trend of renationalization, use of trade as a foreign policy tool (or weapon), and of resource revenue-driven economic planning has emerged as an explicit challenge to that trend and especially to American global predominance in this century. It resembles both economically and politically the substantially state-driven economic programs that predominated in oil-exporting countries in the 1960s and 1970s, and it is the potentially similar political implications that I focus on in this essay.

I argued,¹ based on the experiences of Iran and Indonesia, that regime viability during the oil booms and bust of the 1970s and 1980s was shaped largely by rulers’ decisions about how to sustain state-led development politically. The Shah of Iran, who could rely on substantial oil wealth and whose opposition was fragmented and weak, was able to set his economy down a state-led path with ready access to revenues to fund it and with only token opposition to his program. Suharto, by contrast, faced a fiscal meltdown catalyzed by his predecessor, Sukarno, and had to cope with powerfully organized social groups across the spectrum. The result in these two cases was, respectively, an oil revenue-centered political pact with little deep support in Iran and, in Indonesia, a much deeper and politically robust coalition that helped Suharto ride out the crises of the late 1970s that toppled the Shah.

Several other major oil exporters—but importantly a small minority of them overall—experienced political crises either during the 1970s booms or the 1980s bust. Algeria, Tunisia, Iraq, and Iran all experienced serious regime shocks that were at least in part due to the economic perturbations of dependence on oil exports. And while the 1990s, as mentioned above, might have led us to believe that these dynamics were historically limited in their value to help us understand the political economy of oil in the 21st century, the turn to petro-mercantilism in Iran, Russia, Venezuela, Bolivia and other countries suggests a more direct linkage.

Oil-funded mercantilism in the 21st century began, really, in 1999 with the tripling of oil prices. But not until 2008, when prices reached more than US$140 per barrel did the same sorts of forecasts

means that the recent drop in oil prices will have relatively little effect on the country's overall export revenues, for reasons I detail below. However, Venezuela and Iran, which have little gas and little capacity to capture and deliver it, respectively, are more likely to feel the brunt of this latest price drop if it lasts. In the next section I discuss briefly some common understandings of oil wealth's political effects before turning in more detail to these three countries’ current political economies.

The Politics of Oil Wealth: How Much Room for Change and Reform?

There exists a loose consensus that oil wealth and democracy generally do not go together. For a variety of reasons—rentierism (the ability of rulers to use oil revenues to buy off social groups), repression (the ability to fund large repressive apparatuses) and skewed modernization (the limited socioeconomic changes that oil-driven development engenders)—countries dependent on oil exports seem less promising prospects for stable democracy than others. Ross (2008) suggests, building on earlier research that the negative relationship between oil wealth and democracy largely still holds when accounting for the experiences of the 1990s, during which a new generation of post-Soviet oil exporters entered the global economy and international pressure on state-heavy economies to reform was at its height. We are left, as a result, with quite a gloomy cross-national picture: only in rare cases does democracy seem to take root and to persist in oil-rich settings.

It is also the case that, in order for democracy to emerge where authoritarianism was present, a non-

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2 Note that Ross finds (2008, 11) that oil rents are not generally a predictor of democratic breakdown. This means not that oil is not behind democratic erosion in either Venezuela or Russia, but perhaps that there are additional factors at work or, alternately, that the two are outliers from a broader trend line.

3 See for example Michael Ross, “Does Oil Hinder Democracy?” World Politics April 2001; Benjamin Smith, “The Wrong Kind of Crisis,” Studies in Comparative International Development, and Ross, “But Seriously: Does Oil Really Hinder Democracy?,” working paper, UCLA, 2008. Dunning (2008) among others, however, illustrates clearly what Ross and others imply more subtly: it is not that oil-rich countries can never democratize but rather that they are less likely to democratize and less likely in some cases to remain democratic.
The current oil price drop is still young—at the time of this writing not quite six months—so it is difficult to be confident of any longer-term trends. And the record of political shocks following the 1980s price bust provides mixed historical analogies. In Algeria, political instability accrued for nearly five years before finally reaching a head in 1991 with the army’s nullification of the elections that would have brought the Islamic Salvation Front to power. However, in Tunisia a serious regime shock emerged in 1987, only a year following the price drops. So there is an uncertain time lag following serious price drops and political crises. One possible strategy in discerning the prospects for meaningful change is to look at early indicators—smaller policy changes, subtle changes in language used by rulers in oil-exporting countries to suggest their recognition of increased uncertainty.4

Table 1. Crisis and Regime Breakdown in the Oil-Exporting World, 1974-92

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<td>Algeria, Angola, Bahrain, Cameroun, Congo (Brazzaville), Ecuador, Egypt, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Mexico, Malaysia, Nigeria, Oman, Saudi Arabia, Syria, Tunisia, UAE</td>
<td>Bahrain, Ecuador, Indonesia, Iran, Libya, Nigeria, Oman, S. Arabia, Syria (9)</td>
<td>Algeria, Angola, Congo, Ecuador, Egypt, Gabon, Iraq, Malaysia, Nigeria, S. Arabia, Tunisia (11)</td>
<td>Kuwait, Mexico, UAE (3)</td>
<td>Congo (1992), Ecuador (1979), Iran (1979), Nigeria (1979)1, Nigeria (1983)2 (5 in 4 states from 20 crises)</td>
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* The two democracies in the sample, Venezuela and Trinidad, are excluded.

Source: Adapted from Smith, Hard Times in the Lands of Plenty, Table 5.1, p. 170.

democracy must first suffer a fatally weakening crisis of some kind. During crises, especially of the magnitude generated by wide fluctuations in a country’s major commodity export, one might imagine authoritarian regimes in oil-rich countries to be more vulnerable than usual. I found in earlier research that between 1977 and 1992, however, the most volatile period for oil prices before the recent boom and bust, less than one-quarter of the significant oil exporting countries in the developing world experienced any significant political change, even after crises (see Table 1). If the last boom-bust cycle is any indicator, then, the likelihood of serious changes in much of the oil-exporting world is small. And Ross (2008, 9) shows that this boom- and bust-specific observation holds more broadly: oil-rich countries are substantially less likely than others to undergo democratic transitions. In short, there is a clear trend, and a robust one, of oil-rich countries being generally less democratic than their oil-poor counterparts.

4 Thanks to Shibley Telhami for raising this at the Doha Forum Governance Task Force sessions and for subsequent conversations on the topic.
Yet in Iran, Russia and Venezuela at least, both word and deed by the countries’ presidents have grown more, not less resolute, about the continuity of the status quo. Ahmadinejad (and Supreme Religious Leader Ali Khamene’i) rejected U.S. President Barack Obama’s offer of new, unconditional talks in March 2009. Putin has brought dissident billionaire Mikhail Khodorkovsky back into the political limelight on new charges. Chavez celebrates winning a referendum giving him the freedom to stand for reelection an unlimited number of times. Whether or not these three leaders are representative of the wider array of oil-exporting countries, they at least are clearly disinclined to react in the near term to drops in oil prices with signals of reform. Quite the contrary: if anything their actions reflect a desire to demonstrate their determination to proceed with their respective political projects despite fluctuations in the price of oil.

**The New Petro-Mercantilists: Iran, Russia, and Venezuela**

What of those oil exporting countries that have embarked on a new path of state-dominant economic development? If earlier cases in the Middle East and elsewhere are any precedent, regime fragility following a drop in prices is likely only in countries in which this kind of statist development was kicked off under politically advantageous conditions: high oil revenues, relatively weak and disorganized political opposition. How do these three countries line up on those measures and what ought we to expect from them? And why with the exception of Iran has this new oil-based statism largely skirted the Middle East? In this section I take a look at three countries whose leaders have returned to a level of direct state intervention in the economy that most oil exporters left behind more than a decade ago.

**Iran**

After his election in 2005, largely on the basis of his populist appeals to Iran’s poor, Mahmoud Ahmadinejad rolled out a series of new social distribution policies aimed at cementing his support base. As the Islamic Republic’s first president not to come from the Shi’a establishment but from the Revolutionary Guard (RG), he also marked a turn in political power toward the RG and other security forces and away from the conventional clerical elite (Hen-Tov 2006-07). Like Vladimir Putin (see below), Ahmadinejad filled most of his cabinet seats with fellow RG alumni. Efforts to stack other government positions with Revolutionary Guard loyalists have met with mixed success: he replaced 40 ambassadors in a “Saturday Night Massacre” of sorts, the Vice Interior Minister and the Governor of Hamedan province, but parliament blocked three consecutive nominees for Minister of Oil on grounds of qualification.

Nonetheless, Ahmadinejad has managed during his presidency to militarize the regime and to use dramatically increased oil rents to cement his political position:

The relatively high price of oil and the concentration of assets in a web of state and quasi-state control enable the regime to cultivate a loyal support base while preventing the rise of competitive social groups. Only a severe economic downturn, such as a total collapse in oil revenues if prices crash… could hasten the creation of serious opposition. This would force the regime to ratchet up repression levels.

The last time an Iranian regime faced serious opposition was the student protests of 1999, during

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5 This was direct distribution of oil rents, rather than redistribution of tax revenues from wealthier citizens.


7 The Ministry of Oil is Iran’s largest revenue-generating agency.

Mohammed Khatami’s presidency. In the end, Supreme Leader Ali Khamene’i was willing to use significant coercion to end these protests, and there is not much reason to doubt he, with Ahmadinejad’s support, would be willing to do so again. It is true that Ahmadinejad’s popularity has flagged in the last twelve months, though, and he faces a potentially stiff reelection challenge from former President Khatami, who despite serving two terms is eligible again under the Constitution to run again since he has been out for a term.

On balance, the prospects for meaningful reform in Iran are limited: one major reason this is so is because, as noted in Hen-Tov’s quote above, the regime continues to enjoy a robust base of support in the same coalition it crafted during the early years of the Islamic Republic, during which sparse oil revenues and a bloody and lengthy challenge from leftist revolutionary allies drove Khomeini’s cohort to vest social actors deeply in the regime’s continuity, offering them real access to power rather than simply oil rent payoffs (see Smith 2007, chapter 4). As a result, durable patterns of regime maintenance dating back to the early 1980s remain largely intact.

Nonetheless, Iran’s 1997 presidential election showed for the first time since 1979 that electoral politics could inject serious uncertainty to the Islamic Republic. The same is possible in 2009. Despite his blustering, Ahmadinejad remains politically vulnerable and the apparent consolidation of reformist elites around Mir Hossein Mousavi raises the likelihood that Ahmadinejad could lose in his reelection bid. Whether he loses or not, of course, does not dilute the political predominance of the religious side of the state under Khamene’i.

Russia

At first blush Russia’s political economy looks similar to Iran’s today, and even to Iran’s as of about 1975: a bloated resource export sector, a marginalized non-oil/gas economy with weak diversification, almost certainly serious skewed distribution of recent growth, a problematic financial sector, authoritarian politics alongside a façade of democratic procedure, etc. Given this, we might expect to see some more substantial vulnerability and perhaps some cracks in Putin’s regime now that prices have dropped, at the time of this writing, to almost US$30 per barrel, less than one-quarter of their 2008 high of $140 and may go even lower still.9 Given that at least 40% of Russia’s exports and 13% of GDP derive directly from energy exports, 75% of GDP growth since 2001 is estimated by the Russian government to have come directly from oil price increases,10 and by 2004 nearly 40% of the government budget came from oil and gas taxes, this is all the more plausible.11

However, it still seems unlikely, in part because Russia’s export dependence is so heavily tilted toward natural gas as opposed to oil. Natural gas is much less portable than oil since liquefying it for tanker shipment to alternative buyers is so expensive and infrastructurally demanding. As a result, the market for natural gas is much more constrained than for oil, and the former is sold in liquid form almost exclusively on long-term contracts whereas the latter is often sold in spot markets. Gas, in short, gives suppliers with as much savvy in limiting access to or cultivation of alternate suppliers as Putin’s Russia has displayed near monopoly status in established markets. Witness the recent Russian-Ukrainian conflict over whether Ukraine would have to

begin paying market prices for natural gas after years of heavily subsidized, sub-market favored deals.\textsuperscript{12} Russia is both the world’s largest holder of gas reserves (at an estimated 28\% versus 15\% for second-largest in Iran) and the beneficiary of a savvy strategy of planned indispensability: As Goldman notes, virtually no significant buyers of Russian natural gas have any power of “mutually assured restraint” vis-à-vis Russia’s ability to use supply as a political tool.\textsuperscript{13}

Putin became acting President in 1999, just as Russia’s economy began a recovery from the 1998 ruble crisis that has yet to slow down much. As Goldman notes, nearly anyone in the Russian presidency would have looked good economically given the steady increase in production and prices in the country’s energy sector.\textsuperscript{14} But what has been so remarkable about Putin’s energy policy is the success with which he has managed to make alternatives to Russian gas supply so economically and/or politically unattractive as to be almost inconceivable. While Russia has become since 2006 the world’s biggest oil producer (maintaining a key pivot role as a non-OPEC member state, able to increase output to capitalize on OPEC production cuts), it has simultaneously developed a near-lock grip on supplying to Western Europe. To be sure, it is possible that the current global financial crisis could cut deeply into the new energy/economic superpower role that Putin has projected for Russia. But where western countries have been forced to inject between hundreds of billions of dollars into their financial systems by incurring huge debts, Russia’s oil-financed stabilization fund of over US$500 billion made possible an estimated infusion of $130 billion while still maintaining a comfortable cushion. In short, the political and economic “firewalls” that Putin has erected make it likely that despite the country’s substantial dependence on energy exports Russia will weather the current price drop much better than countries a) more heavily dependent on solely oil exports and b) lacking such a vast stabilization fund.

What of the political side of Putin’s regime building project? As mentioned above with regard to Iran, the marginalization of the Iranian clerical elite engendered substantial opposition that this year might in fact cost Ahmadinejad the presidency. In Russia, Putin’s favoring of security service loyalists to him similarly marginalized old members of the Soviet nomenklatura. However, he has accumulated a much stronger relative position by capitalizing on a powerful Russian public sentiment against the nomenklatura’s corruption and economic mismanagement and in favor of Russian national revival. Ahmadinejad has attained public approval for his generally cleaner reputation than his elite opposition but has had nowhere the level of success in marginalizing them politically that Putin has had. In short, Putin’s energy-driven Russian revivalism is unlikely to suffer much regardless of how far oil prices fall. Despite a fairly smooth ascent to power, and one cushioned by rising oil prices and production, his support base and his political position appear to be substantially deeper and stronger than his counterparts in Iran and Venezuela, the latter of which I turn to next.

**Venezuela**

Hugo Chavez emerged on the national scene in Venezuelan politics in 1992 by mounting a failed coup attempt against the country’s elite-dominated and insular democratic government. He was released after six months and six years after that won the presidency. Like both Ahmadinejad and

\textsuperscript{12} The recent Ukraine-Russia conflict over gas prices reflects an unresolved standoff that took a similar conflictual shape in 2004.


\textsuperscript{14} Goldman, *Petrostate* and Hill, “Energy Empire.”
expansion and Chavez needs to boost output in order to maintain his spending programs. A relative dearth of new fields explore in the Middle East and elsewhere means that even in the aftermath of Chavez’s expropriations Chevron, Royal Dutch/Shell and Total are more than willing to reenter the Venezuelan oil industry.16 Whether these companies are willing and able to reach agreements with Chavez’s government will substantially shape its ability to weather a sustained period of low prices. However, these companies will be unable to affect production in the immediate term, and as a result their impact on the referendum in February will be minimal. Whether prices remain low and whether output grows in the next three years is a friendlier trend for Chavez.

Like Ahmadinejad, Chavez’s political coalition is basically shallow outside of a narrow circle of appointed loyalists and his ability and willingness to use substantial repression to retain power is similarly limited. The poor, especially in the urban shantytown areas ringing Caracas, have been his electoral base but of course that support is contingent on social spending. Of these three leaders, I would venture a guess that Chavez is the most vulnerable to price fluctuations. This is overwhelmingly because he never managed to fragment or destroy the organizational power of his opposition. Russia’s political opposition is relatively fragmented and weak, Iran’s is too, but the parties and their coalitions that governed Venezuela’s democratic pact since 1958 remain largely intact despite electoral defeats. And, numerous confrontations with Chavez’s government have demonstrated their abilities to mobilize supporters against the regime. Finally, despite the gradual erosion of the quality of democracy in Venezuela, its citizens and major social groups including Chavistas appear to remain


willing to settle their conflicts by electoral rather than other means. A sustained drop in oil income from either production or price drops, in short, would quite plausibly result in Chavez’s exit from power in 2012.

Whither the Middle East?

Perhaps the most intriguing facet of the latest oil boom is the absence outside Iran of any serious oil-funded nationalism in the oil-exporting Middle East. Why? One possibility is that most of the other major producers—the Gulf states, Iraq, Algeria, the lesser producers Egypt, Syria, and Tunisia—have long since either sided strongly with the West economically or in the case of Iraq been occupied by it. One thing that Ahmadinejad, Chavez, and Putin share in common is a desire to push back to some degree at the perceived heavy-handedness of American foreign policy since 2001. Only Russia, of course, has any real prospect of being more than a regional power, and Putin’s self-declared goal in the 1990s was to use the country’s energy sector to engineer the return of Russian state power and its renaissance as a global power. But in the Middle East, where Iran is perhaps the only real challenger to American interests, and in South America, where Venezuela has become a beacon of sorts for Washington Consensus skeptics and for the new generation of left-leaning presidents in central America and the Andes, there are otherwise few serious challengers to open-economy politics and more specifically to the United States.

As a result, and additionally perhaps because so many Middle East oil producers tried the statist path in the last century with little long-term success, the oil-rich Middle East and Gulf in particular have become much more economically diverse. Dubai today, for example, is an emerging world financial center, but has had to fall back on a kind of “bailout” from its oil-rich Emirate partner Abu Dhabi. Ironically, this pair suggests some greater economic fragility for less oil-export dependent states in the Middle East. This fact might indicate a somewhat greater promise of meaningful political change in the Middle East. The reason is that, since 1986, most of the countries with significant dependence on oil exports—Iran being a notable exception—have integrated their economies more fully into the global system. As a result, the economic stability on which many autocracies have in part based their legitimacy is more susceptible to international shocks.

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17 This is to my mind one of the few ways to observe democratic consolidation directly: the behavior of groups capable of pursuing political power through violent or other extralegal means. I owe this conceptualization and argument, and thanks for useful discussions about it, to Andreas Schedler. See “Measuring Democratic Consolidation,” Studies in Comparative International Development, Spring 2001, 36, No. 1, pp. 66–92.
The Impact of Oil Wealth on Women in the Middle East

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**ABSTRACT**

Women have made less economic and political progress in the Middle East than in any other region. Many Western observers claim this is due to the region’s Islamic traditions. I argue that oil, not Islam, is at fault. Oil production reduces the number of women in the labor force, which in turn reduces their political influence. As a result, oil-producing states are more strongly dominated by men than similar states without oil.

In many Middle Eastern countries, the status of women has sharply improved since the 1970s. Yet when we look at the region as a whole, women lag behind in two ways: they are less likely to join labor force, and have less political influence, than women in other regions of the world.

Many have commented on this problem. According to the *Arab Human Development Report 2002*, “Arab women remain marginalized and underutilized in all areas, notably in terms of their economic, intellectual and leadership capabilities.” A 2004 World Bank study of the Middle East and North Africa found that indicators such as female education, fertility, and life expectancy show that (the region’s) progress in those areas in recent decades has been substantial. Where (the region) falls considerably short is on indicators of women’s economic participation and political empowerment.18

What explains the low status of Middle East women? According to some Western observers, it is due to culture—the patriarchal culture of Islam, or the Arab states, or perhaps the Middle East region. Some suggest that the treatment of women is the central issue that divides the Islamic and Western worlds, and hence drives the “clash of civilizations.” Writing in *Foreign Policy*, Inglehart and Norris argue,

> the real fault line between the West and Islam…concerns gender equality and sexual liberalization. In other words, the values separating the two cultures have much more to do with eros than demos. As younger generations in the West have gradually become more liberal on these issues, Muslim nations have remained the most traditional societies in the world.19

This paper argues that the real culprit is not Islam, but oil. Oil-based economies produce relatively few jobs for women, and can even discourage them from joining the labor force. When they fail to join the labor force, women are also less likely to play an active role in political life. While oil wealth has had a similar impact in many countries outside the Middle East—for example, in Russia, Nigeria, and Venezuela—its effects on women have been most pronounced in the Middle East.

**The Importance of Women and Work**

To understand how oil wealth can influence the status of women, it is helpful to first understand why female participation in the labor force is so important.

Many social scientists believe that the entry of women into the workforce—in particular, the non-agricultural workforce—is a key step in the process of social and economic development. When women have the chance to earn their own income, they are more likely to delay the onset of parenthood, and to bear fewer children over their

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home and into the work force. Oil wealth—particularly in low and middle income countries—can encourage them to remain at home, for two reasons.

The first is the Dutch Disease: the more oil a country produces, the harder it is for manufacturing companies to remain profitable, since a rise in the exchange rate makes imported goods cheaper. Factories that produce goods for the domestic market, and receive government support, might still survive. But the kinds of factories that are most likely to hire women are export-oriented companies that rely on low-wage labor, and the Dutch Disease will almost certainly make them unprofitable.

Due to the Dutch Disease, most of the jobs in an oil-based economy will be in the service sector, including construction and retail, and in the government. Unless women can find positions in these areas, a booming oil industry will ‘push’ them out of the labor force.

The second reason is that oil production also ‘pulls’ women back into the home, by producing large government revenues. When government revenues rise, so does the amount of money that governments send to households—through welfare programs, subsidies, and tax cuts. This boost in household income can be good in many ways; but it also tends to discourage women from seeking work outside the home, since their family has less need for a second income. Daily life may be more comfortable, but also more strongly dominated by men.

In short, oil production tends to impede the entry of women into the workplace through two lifetimes. Labor force participation also helps raise female school enrollment and female literacy: parents become more likely to invest in their daughters’ health and schooling when they know that they will eventually contribute to family income.

Joining the labor force also affects the social status of women. Studies of female garment workers in Bangladesh—who typically come from poor rural areas, and are hired when they are young and single—have found that factory work helps them gain self-confidence, develop new social networks, acquire skills in negotiating contracts and wages with men, and gain exposure to new information about health and contraception.20 When married women in Indonesia have an independent source of income, they gain greater influence over family decisions on prenatal and child health.

There is also evidence that when women enter the work force, they tend to gain more political influence. According to Chhibber, Indian women are more likely to participate in politics and elect female representatives when they have established an identity outside the household, often through work.21 Moghadam shows that in many countries where women work in low-wage manufacturing—including Guatemala, Taiwan, Hong Kong, India, Indonesia, Tunisia and Morocco—they have formed organizations to protect their interests; often these organizations lobby for much broader reforms in the status of women.22

HOW OIL CAN HURT

For women, oil can have the opposite effect as manufacturing. Manufacturing draws women out of the

mechanisms: the Dutch Disease stops oil-rich countries from developing the types of industries—particularly, low-wage, export-oriented manufacturing—that would otherwise draw them into the labor force; and the unusually large budgets of oil-rich governments tend to boost household incomes, and hence discourage women from seeking work.

Not all countries face this problem—only those where women find it easier to work in the manufacturing and agricultural sectors (which are hurt by oil production) than the service sector or the government (which are helped by oil production). These conditions hold in most low and middle income countries, but not all: in Colombia, Syria, Malaysia and Mexico, many women work in service and government jobs, and have been largely unharmed by their nation’s oil wealth. But in other parts of the developing world—including many Middle Eastern and African countries—oil production encourages women to stay at home and out of government.

**The Middle East Anomaly**

There is little doubt that in the Middle East, women lag far behind their counterparts in other regions of the world. Figures 1 and 2 show how women have fared in different regions of the world, in their participation in the work force (Figure 1) and the fraction of seats they hold in parliament (Figure 2). As the fitted lines suggest, women generally do better in the rich countries (the OECD states) than the poor ones. The Middle East is the great exception: even though the region enjoys relatively high incomes, it has fewer women in the work force, and fewer women in parliament, than even South Asia—where incomes are far lower.

Oil wealth does not necessarily harm the educational status of women. Indeed, many oil-producing Middle East countries have done an unusually good job of improving women’s literacy and school enrollment, compared to other world regions. But when it comes to female participation in the labor

**Figure 1. Women in Nonagricultural Labor Force by Region, 1993-2002**
force—especially when we exclude agricultural work—progress has been slow.

Of course, there are great disparities in the status of women within the Middle East. In some countries, women achieved suffrage in the 1940s, while in others they have not achieved it today; in some governments, women hold over twenty percent of all parliamentary seats, and in others, none; and in some countries women make up more than a quarter of the work force, in others, less than five percent.

What explains these wide differences? Certainly not Islam, since all of these countries are largely—or overwhelmingly—Muslim. Many have a common colonial experience, too, under the Ottoman Empire, and French or British rule.

Oil production, however, varies a lot from country to country—and is strongly correlated with low female status. We can see this below by observing scatterplots that show the relationship between a country’s oil wealth and the first year of female suffrage (Figure 3), female labor force participation outside of agriculture (Figure 4), the fraction of parliamentary seats held by women (Figure 5), and a measure of women’s rights (Figure 6), for each state in the region. In general, the states that are richest in oil (Saudi Arabia, Qatar, Bahrain, United Arab Emirates, and Oman) have been the most reluctant to grant female suffrage, have the few-

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23 The Gender Rights Index is a combination of five separate measures of women’s rights, as tabulated by Nazir and Tompert (2005). *Women’s Rights in the Middle East and North Africa: Citizenship and Justice*. Lanham (MD): Rowman & Littlefield Publishers. The measures are for “nondiscrimination and access to justice,” “autonomy, security, and freedom,” “economic rights and equal opportunities,” “political rights and civic voice,” and “social and cultural rights.” Higher scores indicate more rights.
Figure 3. **Oil and Female Suffrage in the Middle East**

![Graph showing oil and gas value per capita in the year of female suffrage for various countries in the Middle East.]

Figure 4. **Oil and Female Labor Force Participation in the Middle East**

![Graph showing female percentage of nonagricultural labor force participation in the Middle East.]

*Note: Saudi Arabia and the United Arab Emirates do not allow women to vote; they have been coded as granting suffrage in 2005 so they will not be excluded from the chart.*
Figure 5. **Oil Rents and Female Parliamentary Seats in the Middle East**

![Graph showing oil rents and female parliamentary seats in the Middle East.](image)

Figure 6. **Oil and the Gender Rights Index in the Middle East**

![Graph showing oil rents and the gender rights index in the Middle East.](image)
est women in their parliaments, have the fewest women in their nonagricultural workforce, and offer women the fewest rights. States with little or no oil (Morocco, Tunisia, Lebanon, Syria, Djibouti) were the first to grant female suffrage, tend to have more women in parliament and the workplace, and grant women more rights.

The region’s oil wealth also helps explain some of the outliers. Even though Yemen, Egypt, and Jordan have little or no oil, they have fewer women in the labor force and parliament than we might expect. These anomalies may be partly the result of labor remittances: from the 1970s to the 1990s, these countries were the largest exporters of labor to the oil-rich countries of the Persian Gulf, and received large remittances from them in turn. Between 1974 and 1982, official remittances made up between 3 and 13 percent of Egypt’s GDP, between 10 and 31 percent of Jordan’s GDP, and between 22 and 69 percent of Yemen’s GDP. Unofficial remittances were probably much larger.24

Like oil, labor remittances can trigger the Dutch Disease, making it harder for countries to develop the kinds of industries that typically employ women. Yemen is farther below the trend lines for female labor and female representation than any other Mideast country; it has also received more remittances (as a fraction of GDP) than any other country.

The correlation between oil wealth and the status of women has been demonstrated through a statistical analysis.25 It can also be seen by comparing the status of women in oil-rich Algeria to oil-poor Morocco and Tunisia.

### Oil Wealth and Women in Algeria, Morocco, and Tunisia

Algeria, Morocco, and Tunisia are similar in many ways: all three states were French colonies, all gained independence in the late 1950s or early 1960s, all granted suffrage to women soon after independence, and all are overwhelmingly Muslim. Yet in Algeria, both female labor force participation and female political representation are low; in Morocco and Tunisia, they are high.

The key difference among these states is oil: Algeria has a lot of it, while Morocco and Tunisia have little. Consequently, only Morocco and Tunisia have been able to draw a large number of women into the workforce, by developing major industries to produce and export textiles and garments.

In Morocco, the government began to promote textile and garment exports to Europe in 1969, hoping this would reduce the high unemployment rate for men. Although the textile industry grew quickly, companies deliberately sought out and hired unmarried women, since they could be paid lower wages; by keeping their labor costs low, these firms were able to compete in the European market. By 1980, Morocco’s textile work force was 75 percent female, even though men continued to outnumber women in textile factories that produced for the domestic market. By 2004, the textile industry was Morocco’s main source of exports; it also accounted for three-quarters of the growth in female employment in the 1990s.26

The Tunisian textile industry has followed a largely similar path—expanding since about 1970.

More recently, a new Moroccan king has endorsed further reforms, including a new labor code that recognizes women’s equality in the workplace and criminalizes sexual harassment; a more complete reform of the family laws; and an informal twenty percent female quota for political parties in parliament. These new measures, coupled with the grassroots strength of the women’s movement, led to a tripling in the number of women running for local office from 1997 to 2002, and an increase in the fraction of parliamentary seats held by women from 0.6 percent in 1995 to 10.8 percent in 2003.

In Tunisia, women’s groups have been even more successful, raising the fraction of female-held parliamentary seats from 6.7 percent in 1995 to 22.8 percent in 2002—the highest in the Middle East, and higher than in western countries like the United States, the United Kingdom, and Canada.

Oil-rich Algeria provides a telling contrast to oil-poor Morocco. We might normally expect Algeria to have more women in the labor force and in parliament than Morocco: Algerian incomes are considerably higher; Algeria has had a series of socialist governments, while Morocco has been ruled by a monarchy with strong tribal roots; and Moroccans hold more conservative religious views than Algerians. Yet Algeria has fewer women in the nonagricultural labor force (about 16 percent versus 33 percent), and fewer women in parliament (6.6 percent versus 10.8 percent), than Morocco, and far fewer than Tunisia.

The differences between women’s roles in Algeria and Morocco can be largely explained by the economic dominance of oil production in the former and of manufactured exports in the latter. The Algerian economy has long been based on the extraction of hydrocarbons: in 2003, oil production made up almost half of GDP. Since the oil industry provides

few jobs for women, Algeria’s women have few opportunities to earn their own income. But since Morocco’s dynamic manufacturing sector depends on female workers, Morocco’s women have far more economic opportunities.

If Morocco had a large oil sector like Algeria, it would not have become a major textiles exporter, since the Dutch Disease would have made its labor costs too high. Without a large, export-oriented manufacturing sector, Moroccan women would have been slower to enter the labor force, women’s groups would have been smaller and less influential, and major reforms would have been less likely.

CONCLUSION

Oil wealth has been a mixed blessing for the peoples of the Middle East and North Africa. It has brought economic wealth to countries that were once impoverished, and improved the lives of millions of people. Yet in some ways it has been politically harmful—reducing pressures for democracy, and for greater female participation in national politics.

By reducing the number of women who earn their own incomes, the extraction of oil and gas tends to reduce the likelihood that women will accumulate political influence. Without large numbers of women participating in the economic and political life of a country, traditional patriarchal institutions will go unchallenged. This dynamic can help explain the surprisingly low influence of women in mineral-rich states in the Middle East (Saudi Arabia, Kuwait, Oman, Algeria, Libya), as well as in Latin America (Chile), Sub-Saharan Africa (Botswana, Gabon, Mauritania, Nigeria), and the former Soviet Union (Azerbaijan, Russia).

Of course, oil wealth does not necessarily harm the status of women. Some countries have produced significant quantities of oil and gas, but still made surprisingly fast progress on gender rights—most notably, Syria, and Mexico.

There is also much that oil-producing governments can do to offset—if not overcome—the detrimental effects of oil production on women. Perhaps most important are measures that make it easier for women to find jobs in the sectors of the economy that tend to grow in oil-producing countries, such as the service and government sectors. These could include laws and policies to reduce gender discrimination in hiring; to reduce sexual harassment, particularly in the work place; and to make it easier for women to take maternal leave. Oil is not destiny; but the problems it creates are real and must be addressed through wise government policies.
Authoritarian Learning and Current Trends in Arab Governance

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Governance in the Arab world is experiencing a period of rapid globalization. This trend, however, poses new challenges for the West. While continuing to resist liberal democratic elements of globalization, Arab regimes have embraced an alternative strategy of “authoritarian globalization,” becoming more deeply embedded in newly emerging global authoritarian networks. Several key outcomes of this process are becoming evident. One is the renewal and revitalization of authoritarian governance in the Arab world. This has been accompanied, second, by a growing convergence in strategies and practices of governance across otherwise diverse Arab regimes, driven by a process of authoritarian learning. Third, Arab regimes have increasingly immunized themselves against their exposure to Western pressure for democratic reform. Finally, these trends mark the erosion of Arab exceptionalism as an adequate explanation—if it ever could have been considered as such—in accounting for the trajectory of Arab governance, including the Arab world’s resistance to democratization.

The implications of these trends for the West and for advocates of political reform are not promising. They suggest that traditional instruments of influence—political, military, economic, technical—have declining efficacy as mechanisms of political reform and must themselves be upgraded to address the challenge of authoritarian globalization.

28 Globalization is commonly understood as an increase in “the magnitude or intensity of global flows such that states and societies become increasingly enmeshed in worldwide systems and networks of interaction.” David Held and Anthony McGrew, “The Great Globalization Debate: An Introduction,” in The Global Transformations Reader, ed. David Held and Anthony McGrew (Cambridge, U.K.: Polity Press, 2000), p. 3. The notion of authoritarian globalization I use here is consistent with this definition. It aligns, as well, with views of globalization as a process that has complex and often contradictory effects on international affairs, stimulating both progressive and regressive effects on economies, states, and societies; challenging sovereignty in some contexts but reinforcing it in others; broadening flows of information and ideas, among which anti-liberal and repressive ideas are well-represented. In this view globalization does not carry with it an inherently liberal or liberalizing character—as some early advocates of globalization might have argued. It also creates opportunities—for reinvigorating repressive modes of governance and keep the liberalizing effects of openness at bay.

In recent years, two stylized facts have come to define contemporary trends in Arab governance. First, across the Arab world, we have witnessed the reassertion of authoritarianism as a strategy of rule. Continuing a trend that began in the mid-1990s, and with only a brief interruption from 2003 to late 2005 when the Bush administration most aggressively promoted its “freedom agenda,” Arab regimes have persisted in their retreat from the political openings that marked the late 1980s and early 1990s. Second, this reassertion has taken a distinctive and largely similar form across the Arab world. Over the past decade in particular, we have seen a growing convergence among Arab regimes in the strategies they have adopted to manage and contain political oppositions, fend off demands for political reform, and respond to pressures for economic liberalization and technological change. Without minimizing important variations among them, virtually all Arab regimes have adopted versions of a general strategy that I have characterized elsewhere as “authoritarian upgrading.”

Although upgrading takes a variety of forms, its core elements are evident in a wide range of otherwise distinctive Arab regimes. It consists, in brief, of five key processes which are visible not only in the Arab states of the Levant, but across the Gulf and into North Africa, as well. These include, first, appropriating and containing civil societies to erode their capacity to challenge political authority; second, managing political contestation...
through controlled elections and restricted opportunities for the mobilization of political oppositions; third, capturing the benefits of selective economic reforms to sustain patronage networks and other key bases of regime support; fourth, embracing but controlling and surveilling the use of new communications technologies such as the internet and cellular communications; and fifth, diversifying international linkages to deepen economic and political relationships with states that are broadly tolerant of authoritarian strategies of governance.

As noted in the earlier study, “upgrading consists . . . not in shutting down and closing off Arab societies from globalization and other forces of political, economic, and social change. Nor is it based simply on the willingness of Arab governments to repress their opponents,” though coercion remains a central feature of Arab governance. “Instead . . . upgrading involves reconfiguring . . . governance to accommodate and manage changing political, economic, and social conditions” in ways that reflect the flexibility and adaptability of authoritarianism as a system of rule in the Arab world.

Without repeating arguments made elsewhere, two results of authoritarian upgrading deserve further consideration. One is the extent to which convergence among Arab regimes in strategies of governance implies the end of what is often described as Arab exceptionalism: a condition in which political trajectories are explained by reference to features unique to the Arab world. Typically, these include cultural attributes and the influence of Islam, but Waterbury has referenced social and economic conditions as sources of exceptionalism, as well. Does upgrading challenge claims of exceptionalism? Has it diminished the gaps between Arab regimes, which have often been viewed as distinctive in their capacity to resist processes of democratization, and their authoritarian counterparts in other regions?

My tentative answer to this question is “yes.” Over the past decade, authoritarianism in the Arab world has become less distinctive in its strategies of governance. However, this response raises important issues in its own right. If, as I’ve argued, “the practices associated with . . . upgrading have narrowed the differences between Arab regimes and the liberalized autocracies, electoral authoritarian regimes, and illiberal democracies” that have emerged in Africa, Latin America, and Eastern Europe over the past decade, what does this imply about the future of governance in the Arab world? Will the trajectory of authoritarian governance in the Middle East more closely track those of similar regimes in other world regions? Is the Arab world becoming integrated into a global “authoritarian community?” Are there factors, including exposure to volatile oil markets, that are likely to cause variation in patterns of governance among Arab regimes, or between them and authoritarian counterparts in other world regions?

The second, closely related, issue concerns the mechanisms through which upgrading takes place, how they contribute to convergence, and how their presence strengthens linkages between Arab regimes and their authoritarian counterparts elsewhere. One mechanism in particular, authoritarian learning, stands out as especially significant in this

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31 There may still be meaningful variation across authoritarian regimes, but convergence suggests that we would need to look beyond cultural or sectarian variables to explain it. See Alfred C. Stepan and Graeme B. Robertson, “An ‘Arab’ More Than a ‘Muslim’ Democracy Gap” Journal of Democracy, Vol. 14, No. 3 (July 2003), pp. 30-44.
have been uniquely resistant to the Third Wave of democratization.\textsuperscript{34} They have effectively countered decades of external pressure for political reform, including the intensive diplomatic efforts mounted by the U.S. after September 2001. Moreover, outside the globalized economies of specific Gulf oil exporters such as the United Arab Emirates, Arab states are not well-integrated into international markets. Despite widespread concern among intellectuals and political activists within the region about the negative effects of globalization, especially neo-liberal forms of economic globalization, the evidence suggests that many Arab states remain largely insulated from global economic and political trends. Along a number of dimensions, then, the region’s political systems appear less vulnerable to outside pressures than do many of their counterparts.

Looking beyond regional conditions, moreover, there is a well-established domestic bias in research on regime formation and transformation, in particular among scholars of authoritarian breakdown and transitions to democracy. O’Donnell and Schmitter, for example, have famously written that “although international factors, direct and indirect, may condition and affect the course of transition, the major participants and the dominant influences in every case have been national.”\textsuperscript{35} Some years later, Schmitter acknowledged that international factors may have mattered more than he originally argued. Nonetheless, he stressed how “notoriously difficult” it is to “pin down” international effects on domestic regime changes. The international context, he wrote, is “almost by definition omnipresent . . . However, its causal impact is often indirect, working in mysterious and unintended ways through ostensibly national agents.”\textsuperscript{36} Given the

\textsuperscript{33} Authoritarian Learning is a form of political learning, which is defined quite straightforwardly as “the process through which people [in this case, regime decision makers] modify their political beliefs and tactics as a result of severe crises, frustrations, and dramatic changes in environment.” Nancy Bermeo, “Democracy and the Lessons of Dictatorship,” \textit{Comparative Politics}, Vol. 24, No. 3. (Apr., 1992), p. 274.

\textsuperscript{34} The Third Wave is most widely associated with the period from the early 1970s collapse of authoritarian regimes in Spain, Portugal, and Greece up to the collapse of the Soviet Union and the democratic revolutions in Eastern Europe in 1989-1991.


relative insularity of many Arab regimes, and enduring resistance among the region’s political actors to direct Western influence, this would seem to be especially true in understanding trends in Arab governance.

Despite these challenges, however, there are compelling reasons to view international factors as meaningful, indeed central, to the process of authoritarian upgrading and to the convergence in patterns of governance it has generated. First, we should not assume that the domestic bias evident in processes of democratization applies under obverse conditions: the drivers of authoritarian breakdown and authoritarian upgrading need not be symmetrical.37 Second, there is sufficient empirical evidence to identify a range of mechanisms through which international factors shape new patterns of Arab governance. Over the past decade, patterns of policy interaction linking Arab regimes to authoritarian counterparts in the region and elsewhere have become increasingly evident. Indeed, despite their insularity relative to other states, Arab regimes have developed dense connections to and participation in select spheres of globalization. In this sense, the capacity of Arab regimes to resist democratization may not be an indicator of systematic resistance to external influence, but may well signal something even more significant: first, a high capacity to manage the terms of their engagement with processes of globalization, and second their responsiveness to an alternative, authoritarian mode of globalization that is manifest through their participation in global authoritarian networks, strategic partnerships, and alliances of convenience. Understanding how these relationships operate, however, how these trends affect authoritarian governance, does indeed remain mysterious.

**Drivers of Change in Arab Governance: The International Dimension**

To date, the most widely cited international influence on patterns of Arab governance has been the example of China, and the emergence of a “Chinese Model” of authoritarian capitalism that power holders in countries such as Syria, Egypt, Tunisia, and Algeria are said to find appealing—for understandable reasons.38 Yet beyond references to diffusion as the mechanism through which Chinese lessons are absorbed by Arab elites—including in my own work—there has been less attention to the specific pathways through which strategies and practices of authoritarian governance that develop within and outside the Arab world enter into the day-to-day repertoire of Arab regimes. To address this lack of specificity, and to give more substance to discussions about diffusion and authoritarian learning in the Arab context, I identify and summarize three mechanisms that facilitate the movement of ideas across borders, and promote authoritarian upgrading among Arab regimes.

These include: (1) processes of emulation in which the practices and strategies adopted by one regime become models that are available for use by others: (2) processes of inter-elite coordination among authoritarian actors through the proactive sharing of authoritarian knowledge among political actors at various levels, both regionally and internationally; and (3) processes of appropriation through which the political ideas and practices of democracy promoters and Western technical advisors are exploited by authoritarian actors to reinforce rather than undermine systems of authoritarian rule. These are discussed in summary form, below.

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37 O’Donnell and Schmitter, *op. cit.*, “What brings down a democracy is not the inverse of those factors that bring down an authoritarian regime—and the same can be said for the successful consolidation of these respective regime types,” p. 18.

Processes of Emulation

Over the past decade, the contours of Arab governance have acquired a noticeable similarity of form, and often of content, in a number of specific domains. Three states, Egypt, Tunisia, and Jordan, have all implemented new legal frameworks for the governance of NGO sectors. Syria continues to ponder a similar legal framework. Restrictions on foreign support for local NGOs have been enacted in a number of countries with similar features. Broadly comparable regulatory regimes have been established throughout the region to govern the media and the internet—with the notable exceptions of states such as Qatar. Ruling parties in a number of countries have moved along parallel tracks to modernize their operations, voter recruitment efforts, advertising, and internal uses of technology.

These strategies have no single point of origin. However, their emergence, at roughly the same time and in largely similar form across a range of regimes, is a useful indicator of the extent to which Arab political elites observe and learn from one another. In the case of NGO regulation, for example, the Jordanian media referred openly to the “Egyptian model” during the period in which Jordan’s parliament was debating a new NGO law. Both Jordanian and Egyptian experiences have factored into Syrian thinking about its own approach to the management of civil society.\(^{39}\) In the area of media and internet regulation, emulation has been even more explicit, influenced in part by recent, unsuccessful, efforts of the Egyptian Minister of Information, Anas al-Fiki, to establish a region-wide code of conduct for media behavior, an initiative shaped in large measure by Egyptian and Saudi concerns about the relatively free-wheeling media outlets operating in Qatar and other parts of the Gulf.\(^{40}\)

To note the role of emulation in shaping strategies of governance is not to suggest that Arab political elites reflexively imitate one another. The reality is more complex and more interesting. Facing challenges that manifest themselves in similar terms, possessing institutional, legal, and regulatory instruments that often trace their origins to similar historical experiences during earlier periods of state formation, and operating in a regional and global context in which ideas move far more rapidly than in the past, it is not surprising that diverse regimes adopt analogous strategies to address comparable problems. This impulse is bolstered by the example of authoritarian regimes outside the region, from Russia to Eastern Europe and Asia, where similar regulatory and legal trends are evident—trends often referred to as an “assault on democracy assistance.”\(^{41}\) The net effect of emulation, however, is to move strategies of governance in the same direction, toward more similar frameworks for managing challenges to authoritarian rule than might otherwise be evident across diverse regimes.

Inter-Eulate Coordination

More proactive processes of learning are also shaping trends in Arab governance, and should be seen as reinforcing mechanisms such as emulation. If emulation operates at arms-length, inter-elite coordination is both intentional and actor-driven. Historically, the Arab world has benefited (or not, depending on one’s perspective) from the presence of numerous frameworks that promote inter-elite coordination across state borders. Regional and international organizations, from the Arab League and the Gulf Cooperation Council, to the Organ-

\(^{39}\) Interview, Andrew Tabler, Washington, D.C., January 2009.


zation of Islamic States and the United Nations, have provided formal outlets for the coordination of multi-lateral policy at the state level. Increasingly, however, these have been supplemented by less formal ties among authoritarian regimes that serve related but distinct purposes—the coordination of regime-level strategies and practices, with an explicit focus on securing and sustaining authoritarian systems of rule. The interactions are wide ranging, yet tend to focus on what might be called authoritarian capacity building: information sharing on strategies to address the specific challenges that authoritarian regimes confront, including civil society management, coping with political pluralism, managing demands for accountability and good governance, exploiting technological change while containing its political risks, and so on.\textsuperscript{42}

There is no reliable measure of the extent of the networks that support inter-elite coordination on this level. Information is not widely available; collecting data requires trolling for traces of activity that are not intended for public scrutiny. Yet the available, often indirect evidence suggests that information flows are substantial.\textsuperscript{43} They can occur at the highest levels of government, among heads of state, cabinet ministers, and chief advisors. More often, however, they involve important but less visible political actors: agency heads and senior officials, senior staff of public sector firms, leading educators and financial experts, technical advisors, heads of syndicates and associations, and so on. They can occur in the context of formal regional cooperation meetings, bi-lateral and multi-lateral events, the endless stream of visits among Arab officials, and even during international meetings organized by Western states and international institutions.\textsuperscript{44} These flows extend to internal security services, intelligence agencies, ruling party officials, and others with direct involvement in regime security and political stability, though the available information on such movements is scarce. Still, media reports are sufficient to speculate that coordination efforts are extensive.\textsuperscript{45} Such reports also support the view that patterns of collaboration tend to reflect regional alliance patterns of the moment, with Iran, Syria, Hamas, and Hizballah currently anchoring one block, while Saudi Arabia, Egypt, and Jordan anchor a second.

Over time, these interactions have led to the creation of an authoritarian “epistemic community” defined as a “transnational network of professionals with recognized expertise and competence and with an authoritative claim to policy-relevant knowledge within a domain or issue area.”\textsuperscript{46} Moreover, this community has grown well beyond the Arab world, and now encompasses parallel networks in a wide range of authoritarian regimes. Though not consolidated in formal terms, and not always operating within established institutional frameworks, the presence of such a community provides important support for the transnational flow of ideas and information about strategies of governance, policy options, threat assessments, and other data that enhance the governance capacity of authoritarian regimes.

\textsuperscript{42} In responding to Egyptian-Saudi efforts to secure a regional code of media conduct, for instance, one prominent blogger, Arabist.net, observed: “It seems that Arab governments, who rarely manage to coordinate anything, are at least in agreement that satellite television channels need to be controlled . . .” <http://arabist.net/archives/2008/02/07/the-arab-governments-and-satellite-television/>.

\textsuperscript{43} Ongoing research on the subject includes searches of available data bases to try to ascertain trends and patterns in cross regional and international movements of relevant actors, as well as interviews with journalists, officials, and practitioners.

\textsuperscript{44} Interviews with senior staff at democracy assistance organizations during 2008.

\textsuperscript{45} The following is a typical example. During visit by Kuwaiti Interior Minister with Egyptian President Mubarak in July 2008, the minister, Sheik Jabr Al-Khaled Al-Sabah is reported to have praised the “intensive coordination’ between the concerned security authorities in the two countries in the security field. . . . [T]he Kuwaiti Minister of Interior stressed that aside from existing Arab security pacts, there are ‘brotherly relations between the states that are bigger than the written agreements.” <http://www.sis.gov.eg/En/EgyptOnline/Politics/000010/02010000000000009169.htm>.

**Processes of Appropriation**

Ironic though it may be, the democracy promotion industry, together with programs that provide technical assistance to ministries and government agencies, have been leading sources of innovation in authoritarian governance in the Arab world. Organizations such as IFES, the International Republican Institute, and the National Democratic Institute support the development of electoral laws, public opinion polling, and political party development. They train parliamentarians and civil society activists, promote women’s empowerment and political participation. U.S. and European development agencies (among others), along with the U.N. Development Program, provide cadres of technical advisors tasked with modernizing and upgrading government procedures and processes in countries such as Jordan, Egypt, Morocco, Syria, and Yemen. Formally, these efforts are intended to improve the quality of governance, strengthen civil societies and political pluralism, enhance the accountability of government, raise standards in the management of elections, and generally create conditions favorable for long-term processes of political reform.

These activities have posed meaningful challenges to authoritarian regimes in the Middle East. They have contributed to shifts in the political landscape that have forced regimes to adjust their own strategies in order to manage the pace of change, define its limits, and enforce its boundaries. They have carried into the region norms, practices, and expectations about what constitutes legitimate regime behavior—and about the limits of regime authority—that few Arab governments can afford entirely to ignore. The organizations engaged in this work have, in a troubling number of instances, paid a significant price for their commitment to political change. Both the International Republican Institute and the National Democratic Institute have had offices closed and staff harassed. Regimes understand well the potential threat these organizations represent and have not been shy to impose restrictions on their activities.

Nonetheless, the practices and organizational frameworks that these organizations help to import into the Arab world have provided regimes with a new menu of options for managing, containing, and repressing their citizens. They have played a significant role as drivers of authoritarian restructuring, leading regimes to embrace the language of democracy, civil society, transparency, accountability, and reform. They have contributed to the proliferation of multiparty elections as a framework for political competition. In responding to these pressures, however, regimes have developed strategies for transforming these frameworks, discourses, and programs into instruments of regime control. Some of the principal ways this happens are listed at the outset of the paper (and discussed in more detail in *Upgrading Authoritarianism*). Yet the conclusion seems unavoidable: one unintended consequence of efforts to reform authoritarian governance has been to revitalize it. Regimes once routinely characterized as sclerotic, moribund, archaic, and unable to adapt to changing circumstances have appropriated reform-minded frameworks to restructure themselves—more thoroughly in some cases than in others—and modernize their systems of rule.

Importantly, for purposes of this paper, the region-wide and systematic application of a relatively fixed menu of democracy promotion and technical assistance frameworks has had powerful mimetic

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48 It is worth noting, however, that the adaptiveness and flexibility of Arab regimes in some areas is consistent with their being archaic and sclerotic in others at the same time.
effects on the form and content of authoritarian governance. By exporting largely similar approaches into diverse settings, these organizations are not only spurring regimes to change how they do business, but driving them toward analogous responses as they do so, thus promoting convergence in patterns of governance. As regimes confront challenges that appear much the same whether in Egypt, Jordan, Yemen, Tunisia, or Morocco, it is not unexpected that strategies and practices of authoritarian governance become more alike. And since these are also the challenges that face authoritarian regimes elsewhere, the globalization of democracy promotion, capacity building strategies, and approaches to technical assistance can, similarly, be expected to generate increasing isomorphism in authoritarian governance worldwide.

**The Global Context for Authoritarian Learning**

These mechanisms have been reinforced and their effects amplified by a number of general processes that have created the most permissive environment for authoritarianism in recent decades. By far the most important of these is the rapid re-opening of authoritarian space within the international system since 2001, facilitating the emergence of a global authoritarian coalition—a loosely-coupled “network phenomenon” based on organized yet decentralized coordination among like-minded authoritarian regimes. Today, after more than two decades in which the U.S. and Western democracies dominated a poly-centric international system, a new grouping of authoritarian states has emerged that not only opposes democracy promotion efforts but is working to establish itself as a viable counterweight to the pro-Western, liberal, and pro-democratic international order that emerged after the collapse of Communism. The rise of this coalition over the past decade has greatly expanded opportunities for authoritarian actors globally to coordinate policy positions, share “authoritarian success stories” gleaned from local experiences, and develop “authoritarian best practices” that can be adapted and applied in a wide range of local contexts.

In addition, leading members of the authoritarian coalition—Iran, Russia, Venezuela, China, and others—are active in international institutions, most prominently the United Nations, where they have blunted American efforts to use the U.N. to sanction and isolate adversaries. Through the U.N. and other channels, coalition members deploy an alternative network of diplomatic, political, and economic resources that mobilize and sustain opposition to U.S. and Western influence, and generate international support for like-minded governments and non-state actors such as Hizballah and Hamas.

The implications for Arab regimes of the re-opening of authoritarian space are significant. It provides diplomatic protection from Western pressures for political reform and opens up strategic and economic alliance possibilities that Arab regimes have been adept in exploiting. Not least, it creates an

49 “For the first time in many years, a real competitive environment has emerged on the market of ideas [between different] value systems and development models . . . the West is losing its monopoly on the globalization process.” Russian Foreign Minister Sergey Lavrov, quoted in Robert Kagan, “Hugs for Thugs: Russia and China don’t care much about democracy and human rights. Their no-questions asked foreign policy is drawing in some of the world’s nastiest tyrants.” *National Post*, July 24, 2008, A15.

50 Among the ways in which this opening of authoritarian space is being consolidated is through the formalization of international and regional organizations in which authoritarian regimes exercise a preponderance of influence. At the international level, one such organization is the newly-formalized Forum of Gas Exporting Countries, to be headquartered in Doha. A large majority of its member-states are authoritarian regimes. At the regional level, these organizations include the Shanghai Cooperation Organization (SCO), which was created in 2001 to provide a framework for discussion of joint security concerns among Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The SCO has its roots in an earlier instrument, the Shanghai Five Mechanism, which dates to the late 1990s. [http://www.fmprc.gov.cn/eng/topics/sco/57970.htm](http://www.fmprc.gov.cn/eng/topics/sco/57970.htm).
alternative, authoritarian, form of globalization in which economic liberalization and integration into global markets, on the one hand, no longer implies exposure to the liberal, reformist trends of global politics, on the other. It makes the international system safe for authoritarianism, and at the same time, reinforces authoritarian systems of rule at the domestic level, both by creating channels through which innovations in authoritarian governance can become globalized, and by enhancing opportunities to develop coordinated resistance to democracy promotion efforts of the West.

In addition, within the Arab region itself there are facilitating conditions that deepen the effects of the mechanisms noted above. Perhaps the most influential of these may be simple “proximity effects”—the advantages that accrue to regimes in the Arab world as a result of living in an authoritarian neighborhood. The density of authoritarian regimes within a large but defined geographic space contributes significantly to the permissive environment for authoritarianism. It legitimizes norms of authoritarian governance—at least among regime elites—that bolster resistance to democratic reforms. It insulates Arab regimes from the spillover effects of a democratic “contagion” of the kind that is associated with the rise of the Third Wave of democratization. There are no democracies next door to spur on and support reformers in neighboring states. Proximity also facilitates the three core mechanisms of authoritarian learning that are key drivers of authoritarian upgrading and of convergence in strategies of governance among Arab regimes.

In these areas as in others, moreover, the collective impact of these trends has been to strengthen processes of convergence, diminish differences in strategies of governance between Arab regimes and their counterparts elsewhere, connect Arab political elites more densely with global authoritarian networks, and bring Arab regimes more closely into alignment with broader patterns of authoritarian governance.

CONCLUSION

Over the past decade, Arab regimes have embraced a process of authoritarian globalization. While continuing to resist liberal democratic elements of globalization, Arab regimes have become more deeply embedded in newly emerging global authoritarian networks. One significant outcome of this process is a deepening convergence in strategies and practices of governance across otherwise diverse Arab regimes, driven by mechanisms such as authoritarian learning, emulation, inter-elite coordination, and appropriation. A second is that Arab regimes have increasingly immunized themselves against their exposure to liberal, Western-dominated elements of globalization, and expanded the menu of policies, partners, and resources on which they can draw to push back when confronted with pressures for political reform, media freedom, rule of law, greater transparency, more accountability, and expanded autonomy for civil societies. A third is the erosion of Arab exceptionalism as an adequate explanation in accounting for the trajectory of Arab governance, including the Arab world’s resistance to democratization. Although Arab regimes

51 These justifications vary widely, but rely heavily on the imperative of social peace, the need avoid the social conflicts and traumatic disruptions, the “frīnā,” associated with experiences of democratization elsewhere. Only strong regimes led by strong men, it is argued, are capable of providing the security that Arab societies value. Violence in Iraq after 2003 gave this longstanding, and somewhat frayed, perspective a new lease on life among Arab regimes.


53 Perhaps more troubling, the experience of limited democracy in countries like Kuwait, which has seen a high level of institutional instability in the period since 2005, reinforce negative perceptions of democracy among elites in neighboring states.
continue to exhibit any number of unique attributes, and have in no sense morphed into some kind of homogenized model of hybrid authoritarianism, the strategic and tactical choices of regime elites have created ever stronger “family resemblances” between Arab modes of authoritarian governance and those practiced by their authoritarian counterparts.

Three mechanisms summarized here—in far too schematic a fashion—have proven to be central for authoritarian learning. The process of learning is supported, as well, by the re-opening of authoritarian space in the international system and the end of the West’s “monopoly on globalization.” The implications of these trends for the West and for advocates of political reform are not promising. They suggest that traditional instruments of influence—political, military, economic, technical—have declining efficacy as mechanisms of political reform, and must themselves be upgraded to address the challenge of authoritarian globalization.

The implications for Arab regimes of becoming more deeply embedded in processes of authoritarian globalization are less clear, but deserve at least brief consideration. If the re-opening of authoritarian space in the international system turns out to be temporary, Arab regimes could find themselves more exposed and less able to contain reformist pressures should the West reclaim its (purported) monopoly on globalization. If global authoritarian networks prove vulnerable to changing economic conditions, and their ability to project their influence declines along with the declining price of oil, Arab participants in such networks may find themselves increasingly exposed to the global pull-back of the current authoritarian wave. In short, it is possible that embeddedness, whether in global markets or in global authoritarian networks, produces its own forms of vulnerability. Events of recent months give little comfort to analysts in the West who argue that there exists a close correlation between the price of oil and the political influence of authoritarian actors such as Russia, Iran, and Venezuela. But perhaps it is simply too soon to tell. For the time being, at least, the gains for Arab regimes of engagement with global authoritarian networks, and the domestic benefits associated with processes of authoritarian learning, outweigh potential, future liabilities.
The Governance Task Force’s discussion, “Energy and Reform,” centered on the relationship, over time, between trends in the energy market, economic subsidies and political reform. It discussed how the internal distribution of funds from energy revenues influences governments and impacts political reform.

Session I

The first panelist argued that we must not assume that a radical drop in global oil prices can be a catalyst for political reform in oil-rich states. Looking back at an earlier boom-bust cycle of oil prices in the 1970s and 1980s, one observes that there was very little real change. Another phenomenon that the world has seen in the last ten years or so is the resurgence of “petro-mercantilism,” or the use and manipulation of oil and gas wealth as a foreign policy tool. These strategies have been adopted by such states as Iran, Russia and Venezuela. Whether or not the latest drop in oil prices following the global economic crisis is likely to have a reform effect on the GCC is doubtful, especially in the case of natural gas exporters whose markets are much more flexible than oil markets. In the Middle East, the oil industry is entrenched and the political coalitions that undergird those regimes are more or less intact.

It is commonly understood among social scientists that when women join the labor force, they have a transformative effect on societies. When women earn independent income it affects family structures and sizes, domestic relationships, and political empowerment. Traditionally, there are few avenues for women in Arab societies to join the labor force. These strategies have been adopted by such states as Iran, Russia and Venezuela. Whether or not the latest drop in oil prices following the global economic crisis is likely to have a reform effect on the GCC is doubtful, especially in the case of natural gas exporters whose markets are much more flexible than oil markets. In the Middle East, the oil industry is entrenched and the political coalitions that undergird those regimes are more or less intact.

The second panelist addressed the impact of oil wealth on women in the Middle East. Gender development has lagged behind in the Middle East. There have been pockets of great progress but less so on economic opportunities and political empowerment. Many in the West say that this has to do with Islamic tradition and culture, however there is a better explanation for the problems of women in the Middle East which is linked to oil.

It is commonly understood among social scientists that when women join the labor force, they have a transformative effect on societies. When women earn independent income it affects family structures and sizes, domestic relationships, and political empowerment. Traditionally, there are few avenues for women in Arab societies to join the labor force. History suggests that industrialization and the production of goods for export is the key to political reform and development. Yet when countries possess oil wealth, development of alternative industries is hampered and wages become uncompetitive. As a result, oil production tends to reduce economic and political opportunities for women.

This explanation, not Islam, explains the erratic nature of gender development in the Middle East. As the number one importer of foreign oil, the
United States plays an important role in the problems of female empowerment in many oil-producing countries. America also has a role to play in supporting economic diversification and helping oil producing countries develop new ways and new types of industries to bring women into the economy, and ultimately to help advance regional human development.

**SESSION II**

The first panelist argued that there are two trends in U.S. foreign policy that are especially important: one, we are very clearly at a turning point in U.S. engagement on the question of political reform in the Arab world. There is no question that the Bush administration’s approach to democracy promotion has been set aside by Obama and replaced with a more pragmatic one. But we don’t really know what pragmatism means in a practical sense. There continues to be tremendous uncertainty about the priority that Obama is going to place on political reform. Will it be through the rubric of democracy promotion, or will there be alternative frameworks focusing on human rights, governance, or other issues that avoid the political baggage that “democracy promotion” has accumulated in the Muslim world over the past eight years? We simply do not know.

The second trend is a diminishing Congressional appetite for democracy promotion, especially concerning the Middle East. Instead, there is renewed appreciation for security and stability as the primary interests driving foreign policy towards the Muslim world. What we have seen emerging from Washington is an awareness that the decline in oil prices and subsequent economic vulnerability will not only constrain the capacity of these authoritarian regimes to project their influence in ways that will challenge American interests and diplomatic objectives, but that this offers an opportunity for the United States to reassert its influence with these regimes and movements that have the benefits of their economic resources extended to them by these regimes during the oil boom.

One panelist argued that these trends suggest the capacity of the United States to urge Arab governments toward reform is exceptionally low. One reason is the modernization of strategies of authoritarian governance, as well as the strategic convergence of diverse Arab regimes on such issues as globalization, economic liberalization, and geopolitical security. There seems to be now an alternative system of governance in the Arab world shaped heavily by authoritarian principles and practices.
The Project on U.S. Relations with the Islamic World is a major research program housed within the Saban Center for Middle East Policy at the Brookings Institution. The project conducts high-quality public policy research, and convenes policy makers and opinion leaders on the major issues surrounding the relationship between the United States and the Muslim world. The Project seeks to engage and inform policymakers, practitioners, and the broader public on developments in Muslim countries and communities, and the nature of their relationship with the United States. Together with the affiliated Brookings Doha Center in Qatar, it sponsors a range of events, initiatives, research projects, and publications designed to educate, encourage frank dialogue, and build positive partnerships between the United States and the Muslim world. The Project has several interlocking components:

- The U.S.-Islamic World Forum, which brings together key leaders in the fields of politics, business, media, academia, and civil society from across the Muslim world and the United States, for much needed discussion and dialogue;

- A Visiting Fellows program, for scholars and journalists from the Muslim world to spend time researching and writing at Brookings in order to inform U.S. policy makers on key issues facing Muslim states and communities;

- A series of Brookings Analysis Papers and Monographs that provide needed analysis of the vital issues of joint concern between the United States and the Muslim world;

- An Arts and Culture Initiative, which seeks to develop a better understanding of how arts and cultural leaders and organizations can increase understanding between the United States and the global Muslim community;

- A Science and Technology Initiative, which examines the role cooperative science and technology programs involving the United States and the Muslim world can play in responding to regional development and education needs, as well as fostering positive relations;

- A “Bridging the Divide” Initiative which explores the role of Muslim communities in the West;

- A Brookings Institution Press Book Series, which aims to synthesize the project’s findings for public dissemination.

The underlying goal of the Project is to continue the Brookings Institution’s original mandate to serve as a bridge between scholarship and public policy. It seeks to bring new knowledge to the attention of decision-makers and opinion-leaders, as well as afford scholars, analysts, and the public a better insight into policy issues. The Project is supported through the generosity of a range of sponsors including the Government of the State of Qatar, The Ford Foundation, The Doris Duke Charitable Foundation, Lawrence Livermore National Laboratories, and the Institute for Social Policy Understanding. Partners include American University, the USC Center for Public Diplomacy, Unity Productions Foundation, Americans for Informed Democracy, America Abroad Media, and The Gallup Organization.
The Saban Center for Middle East Policy was established on May 13, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The creation of the Saban Center reflects the Brookings Institution’s commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth and timely research and policy analysis from experienced and knowledgeable scholars who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. The Saban Center’s central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center’s foundation was made possible by a generous grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, Senior Fellow in Foreign Policy Studies, is the Director of the Saban Center. Kenneth M. Pollack is the center’s Director of Research. Joining them is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding of the policy choices facing American decision makers in the Middle East. They include Tamara Cofman Wittes, a specialist on political reform in the Arab world who directs the Project on Middle East Democracy and Development; Bruce Riedel, who served as a senior advisor to three Presidents on the Middle East and South Asia at the National Security Council during a twenty-nine year career in the CIA, a specialist on counterterrorism; Suzanne Maloney, a former senior State Department official who focuses on Iran and economic development; Stephen R. Grand, Fellow and Director of the Project on U.S. Relations with the Islamic World; Hady Amr, Fellow and Director of the Brookings Doha Center; Shibley Telhami, who holds the Sadat Chair at the University of Maryland; and Daniel L. Byman, a Middle East terrorism expert from Georgetown University. The center is located in the Foreign Policy Studies Program at Brookings, led by Brookings Vice President Carlos Pascual.

The Saban Center is undertaking path-breaking research in five areas: the implications of regime change in Iraq, including post-war nation-building and Persian Gulf security; the dynamics of Iranian domestic politics and the threat of nuclear proliferation; mechanisms and requirements for a two-state solution to the Israeli-Palestinian conflict; policy for the war against terrorism, including the continuing challenge of state sponsorship of terrorism; and political and economic change in the Arab world, and the methods required to promote democratization.