



Wilton Park Conference WPS06/4

**Friday 6 – Sunday 8 October 2006**

**MANAGING REFORM IN ARAB COUNTRIES**

**In association with the Carnegie Endowment for International Peace  
With the support of the Foreign and Commonwealth Office**

**Summary:**

The perspectives of ruling elites towards the dynamics of political, economic and social change were considered at a special conference convened for the Middle East Program of the Carnegie Endowment for International Peace. It brought together well-known advocates of reform from Arab countries, together with European, Arab and US Middle East analysts. It is part of a detailed research project by the Endowment on the reform debate across the Middle East and North Africa (MENA), also engaging secular opposition and Islamic parties. This conference focussed on the scope of managed reform. This report will focus on the implications for international policy-making.

1. The term “managed reform” still needs careful research and definition, with a precise mapping of political forces in each country. There are still many questions to be answered about what are the “drivers of change,” and at what precise stage does a regime decide to reform? Democracy is never be handed down from above, some of the analysts argued. They also debated whether top-down measures should meet certain criteria to be called “reform”, or whether managed reform could just be interpreted as “whatever a regime is doing;” a set of adjustments rather than being a clearly defined set of reform steps. In some cases, reform is done to make the regime more “palatable”. In other cases, it is to forestall pressure for change, or in response to pressures from international Arab media, as in United Arab Emirates (UAE).

The analysts also highlighted the absence of competing power centres which historically have been at the origin of transitions to democracy, leading to

pacts as power sharing devices and to democracy as the means to regulate and resolve conflicts of interest. Obviously reform is factually identical with democratic government. However, as soon as reform is supposed to lead to accountability, it needs to extend to democratic government, which in turn is difficult to envisage without regulated conflict. Also, no major reform such as creating an independent judiciary is possible without the separation of powers which again includes accountability and ultimately democracy.

2. It is clear that change is currently “top-down” in Arab Monarchies, especially those headed by reform-minded monarchs. Representatives of the ruling elites from the Monarchies were in no doubt about their Monarchs’ commitment to reform, even if the pace of change may have slowed. Demand for change from grass roots is muted or nonexistent; in many cases ruling elites believe themselves to be the primary advocates of reform. More efficient, modernized government, public sector-private sector partnerships, developing a participative civil society, and generating jobs through increased investment were cited as their principal goals in pursuing reform. In several countries the lack of political participation is a major concern. In Morocco, a major campaign, Daba 2007, is underway attempting to engage younger voters, and revitalise the secular parties. The use of new media tools to engage young people is now widespread. However, there are fears of the results of uncontrolled change, or of change leading to unforeseen consequences. In Jordan, a balance between security issues, security services, and democracy and good governance, is seen as the best path for reform. In Kuwait, where there is an active legislature, vested interests and entrenched economic positions are delaying economic reforms. The reformists have been taking a range of active steps to keep their agenda on track. In Saudi Arabia, conservatives and the part of the religious establishment are seen as the factors delaying change. The oil price boom is also reinforcing the status quo in oil producing states.

3. Ruling elites in republics, in which there is no monarch as ultimate guarantor of the system, face a different set of challenges. In Syria significant reforms have stopped, while in Egypt reform is increasingly tied to prospects for presidential succession. Algeria, having successfully ended a bloody civil war, now has, like its neighbour Morocco, to address the jobs crisis, and the concerns of their youthful populations, not least because so many are

migrating. Economics can a major driver for reform; getting the legal framework right is essential; laws that facilitate reforms of the market, of public services, the financial sector, and also combat corruption are important.

4. A number of principles are already clear on managed reform; reform cannot be led by outside actors. At best, external actors can facilitate indigenous processes of change. At worst they can actually damage the process. The process of change; the mix of political, economic reform, administrative modernisation, security sector reform, and judicial reform is extremely complex in a globalised world. The time-frame and instruments vary. There is rarely a smooth transition, The importance of a home-grown application for reform is important. Increasingly there is recognition in western policy-making that change in the Arab world will be different from the process in Central Europe from November 1989 to the end of the fifth European Union (EU) enlargement phase. It is now recognised that liberal democracy is not the inevitable end-point throughout MENA.

5. The credibility of international policies was raised repeatedly. Arab participants called the response by the US and EU to Hamas' victory an example of double standards, as the elections were judged by international observers to be fair. This, together with the unresolved Israel-Palestine question, continues to have an adverse impact on Arab public opinion. US and UK policies during the Lebanon crisis, and the intervention in Iraq, and NATO's role in Afghanistan were also cited. As a result, those associated with reform and with links to the western countries, said that they were being put on the defensive at home. This has to be taken into account when planning international policies aimed at encouraging the reform process.

6. There is now a growing debate in Washington over the future of the Bush Administration's "freedom agenda". There is also a debate in EU countries over democracy assistance policies, and the interaction with good governance instruments. It is clear that expectations for dramatic change in the short term are being scaled down in both debates on each side of the Atlantic. The future shape of US Administration policy will be under discussion in 2007 and 2008, and it will probably not be resolved until 2009, when a new Administration is in power.

7. The EU has to address its own governance structures after the constitutional treaty referenda in France and Netherlands. Clearer thinking is needed by the EU and its Member States on a range of issues including: more focussed results from the Barcelona Process; a coherent strategy for the European Neighbourhood Policy; addressing Immigration strategy and EU public opinion especially in Southern Europe; thinking through EU policy towards democratically supported Islamic movements after the experience of Hamas' victory; mainstreaming governance as a key component across EU policies; moving to clearer defined policy instruments which are better delivered by a range of actors; and greater coherence between the work of EU institutions and government and non government actors from Member States in the region.

However, there has to be recognition that, at this time, the state of politics in the EU and Member States means that the scope for major policy changes is limited. Impending changes of leadership and weak coalitions in a number of major member states are not conducive to major policy changes. .

8. One of the key areas for potential international engagement is support for political party development, which are recognised as key partners in reform in some states. Party development is important to enable historical compromises between government and opposition. However, where they do exist, opposition parties are generally weak, or have been weakened. Parties often lack the prospect of power, and therefore do not have coherent policy perspectives. "Alternance" is only an issue in Morocco or Algeria. In some cases, parties rely on overblown rhetoric to be heard, and/or only emerge at election times. In many countries there are too many parties, or the parties that exist are weakened by infighting. The parties have little engagement with public opinion. Often ruling elites co-opt opposition leaders, to their detriment. The most useful intervention methodology to support political party development might be a multi-party approach, rather than a sister party approach. There are lessons from the US approach. It is clear that the work of National Democratic Institute (NDI), and its Republican counterpart, the International Republican Institute (IRI), in the Maghreb are examples of long-term locally specific US interventions that are seen as effective by some local elites. (This is not the case in some countries in the region). Support for legislatures is also an area of potential engagement, as is judicial reform, as

ways of supporting indigenous reform processes. The role of the judiciary in Egypt, and in Morocco, as defenders of reform, are cases in point.

9. The effect of conditionality and sanctions were debated. Some suggested that there are no clear examples of sanctions having the intended outcomes, while other participants raised examples of successful conditionality. The withdrawal by the US of negotiations on a free trade agreement for Egypt is one example of US conditionality being applied. Morocco and Jordan's Millennium Challenge Accounts are examples of the impact of positive conditionality policies.

10. A great deal more research is needed on the subject of managed reform. In the wake of the conference, Carnegie Research papers, together with articles and discussions on the Arab Reform Bulletin website, will follow, and in time, a book. The new Carnegie Endowment Middle East Centre in Beirut will be a major part of the research and publication effort. The Wilton Park conference was part of the process of launching the project.

**Chris Langdon**

11 October 2006

Revised with participants' comments 2/11/06

Wilton Park Reports are brief summaries under the off the record rule. The reports reflect rapporteurs' personal interpretations of the proceedings; as such they do not constitute any institutional policy of Wilton Park nor do they reflect necessarily the views of rapporteurs. Nor does the report necessarily represent the views of the conference partner, nor of the sponsor.

[www.wiltonpark.org.uk](http://www.wiltonpark.org.uk)