

WHEN AUSTERITY MEETS ACTIVISM: A COMMON TALE ON THE OPPOSITE SHORES OF THE MEDITERRANEAN

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Introduction

European states overcame the wave of protests, which reached their peak in Greece in the 2010-2015 period, related to the adoption of harsh austerity measures. Meanwhile, similar anti-government protests have erupted and continue across the Middle East and have recently hit Jordan, a key partner of the West in the unstable Arab Levant. At the height of the protests in 2018, thousands of people demonstrated for 25 consecutive weeks. As of late 2019, economically-motivated protests continue to represent a challenge to Amman's government. This was most evident in September when some 3,000 public school teachers took to the streets to demonstrate against rising living costs and low wages (Nusairat, 2019).

This policy brief argues that, despite the fundamental economic, social and political differences between Amman and Athens and different ideologies channelling the crowds' sentiments, in both cases people took to the streets due to comparable economic grievances and in order to protest against the neoliberal economic policies imposed by international organisations, most notably the International Monetary Fund (IMF), and backed by other stakeholders (Babb & Kentikelnis, 2018). Notably, another parallel between the two countries is that while Greece is the European Union (EU) member state in which the IMF intervened with the heaviest hand, Jordan is the country in the Arab Levant on which the Washington-based institution has proposed the harshest austerity package.

The policy brief compares and contrasts the unrest in Greece and Jordan and the dynamics of the protests. The question is whether the experience in dealing with socioeconomic grievances in Greece could possibly be used by countries such as Jordan

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to address the demands of its own citizens and to some extent shape an effective EU approach that contributes to the de-escalation of internal tensions in Jordan and the wider Middle East and North Africa (MENA) region.

A description of the origins of the protests is followed by a comparison of the protests in Athens and Amman, with a focus on the demands, immediate outcomes and political and geopolitical implications. Conclusions and recommendations related to Jordan are provided in the final section.

Origins of the Protests

Debate over fiscal austerity has dominated political life across the EU since the explosion of the Greek government debt crisis. In the 2010-2015 period, Athens was forced to request three bailout loans from the European Commission (EC), the European Central Bank (ECB) and the IMF to avoid default. Austerity measures promoted across the continent by the EC, the ECB and the IMF are considered by many Europeans as yet another cause for the deterioration of their standards of living. For instance, a Eurobarometer Survey in 2011 demonstrated that most Europeans were concerned that national governments and EU institutions were scaling back from measures aimed at tackling poverty and social exclusion (Europeans and the crisis II, 2011). As such, their implementation prompted popular protests and anger across all EU member states affected by the 2007-2008 global financial crisis. Eurosceptic, nationalist and populist forces have exploited this anger. Protests reached their peak in Greece in 2011 as the EC, the ECB and the IMF forced Athens' government to implement an unprecedented level of tax increases and spending cuts as preconditions to receive financial aid.

Financial turbulence has also negatively affected Southern Mediterranean countries. The MENA region, with the exception of the Gulf, is dealing with worsening economic conditions and an increasing young population, who struggle to find employment – in 2018 Jordan reached a 42% record high for youth unemployment (Trading Economics, 2019). Even before 2018, according to the Organization for Economic Co-operation and Development (OECD), young Jordanians had to face two major structural problems affecting Amman's economy. Firstly, the mismatch between education outputs and the skills required by the labour market, which has historically caused high unemployment among university graduates. Secondly, the inability of both the private and public sector to absorb new market labour entrants and to create more attractive jobs. More generally, people's dissatisfaction with their living conditions was an important factor triggering the "Arab Uprisings" and the consequent demise of many regimes in the region. This is evidenced by some of the slogans chanted by protesters across the Arab world from 2011 onwards (Daraghi, 2018). The economic situation in general – characterised by a decline in people's purchasing power amid government plans to increase taxes and cut pensions – and the lack of government accountability with regard to fiscal policy decision-making

were also crucial elements in the most recent protests taking place in Jordan from early June 2018.

Differences in Ideological Composition and Demands of the Protest Movements

Greece witnessed three waves of protests, each characterised by its own dynamics. The 2010 wave did not represent a particular sector of society; protesters crossed through all ideological divides, professional backgrounds and age cohorts. Most crucially, in this first phase, what caused the economic factor to emerge strongly was the common feeling among protesters that government action would cause a decline in their standards of living.

The 2011-2012 wave was characterised by the rise of the Greek Antagonist movement, which is partially reflected in Greece's strong and idiosyncratic "protest culture", rooted in the successful struggle against the military junta in the 1970s (Karyotis, 2018). It initially mobilised young leftists but spread quickly to other sections of the population. The focus was on occupation of public spaces, most visibly in Syntagma Square in front of the Greek parliament, while demands included more accountable and direct models of democracy and an end to austerity.

The third 2012-15 wave began ahead of the June 2012 parliamentary elections and shows a closer relation to party politics compared to the previous waves. In such a context, the radical-left SYRIZA and the extremist right-wing Golden Dawn used anti-austerity sentiments to rally political support for both the 2012 and 2015 elections by organising protests, marches and other initiatives. As such, crucially, opponents to austerity found new opportunities to express their discontent in the electoral arena.

In Jordan, various groups mobilised against restrictive economic reforms, each proposing different solutions and relating to different ideological bases.

Jobless young people across the country started the 2018 protest and began to develop their own unaffiliated grassroots popular protest movement, calling for the establishment of a constitutional monarchy. They then developed into a more organised movement – which sought to include the largest possible number of young people from both urban and rural backgrounds – and held regular demonstrations throughout 2018. The movement was backed by 30 of the 33 trade unions of the country, which organised strikes in support of the street demonstrations.

Other movements identified with Jordan's largest tribe, Bani Hassan, and went as far as calling for the deposition of the King and for the change of the system of government (Harel, 2019). Historically, tribal affiliation in Jordan was endorsed by the government to divert support from Islamist ideological-based opposition groups, which are traditionally the most critical

towards Amman's royal family. As such, the prominence of tribe-linked protest movements represents a significant development.

The Muslim Brotherhood (MB), the main opposition group in Jordan, has been exploiting the protests in the kingdom to score political points. Movement members have issued statements supporting the protests and criticising the government and the monarch (Al-Tahat, 2018), while MB representatives took part in the demonstrations and expressed solidarity with the protest of jobless Jordanians.

While in Greece discontent was channelled through support for parties that had not been involved in government before the crisis erupted, in Jordan popular discontent with the economic situation pushed people to demand a change in the system of government. From 2011 onwards, Jordan's government discussed some landmark reforms. While an important electoral reform was approved in 2016 (Cage, 2016), other reforms such as the introduction of parliamentary approval to the cabinet – to date the cabinet is directly appointed by the King – are still on hold. Implementing them would strengthen Jordanians' perception that they can influence government decisions through the ballot box and decrease the likelihood of chaotic protests on Amman's streets.

Immediate Outcomes of the Protests

In Greece, the SYRIZA party emerged as the main political force against austerity, increasing its share of the popular vote from 4.6% in October 2009 to 26.9% in June 2012 ("Syriza Runs Out of Steam", 2017), before eventually winning the elections of January 2015 with 36.3% of the vote. Despite attempts by the new leftist government to negotiate better bailout conditions with the IMF, the ECB and the EC and mitigate the negative social effects of harsh reforms, austerity pushed one in five Greeks to experience severe material deprivation (Rodgers & Stylianou, 2015). Since the start of the austerity programme, more than 400,000 people emigrated (Koutantou, 2018), the economy is 25% smaller and the debt amounts to 180% of Greece's GDP (Trading Economics, 2018). Golden Dawn – an ultranationalist, neo-Nazi and xenophobic party – rose from 0.3% in 2009 to 7% in 2012 with the consequent polarization of Greece's political life and a widespread increase in the levels of violence connected to the rise of Golden Dawn.

In Jordan, the King was forced to dismiss Prime Minister Hani Mulki, and the new government, headed by Omar Al-Razzaz, launched a "national dialogue" initiative – aimed at addressing the weak integration of citizens into public decision-making processes and achieving consensus on key political legislation in Jordan. It also focused on the social and economic challenges faced by citizens during their daily lives, which culminated in December 2018 with parliament adopting a large portion of the protesters' demands such as the scrapping of the planned tax increase and pensions cut, therefore postponing most of the IMF-proposed reforms. However, recent economic indicators suggest pessimism.

Jordan's economic growth in 2018 was weak and the unemployment rate reached over 18% (more than 42% among young people) (Trading Economics, 2019). The government deficit rose toward the end of 2018, reaching 2.4% of GDP, and with bad perspectives for 2019.

While in Jordan the new government has halted, perhaps temporarily, the implementation of austerity measures, Greece has largely diligently implemented the requests of its creditors. However, as Amman's public debt is expected to rise in the coming months together with the costs of borrowing, Jordan is likely to be forced into accepting austerity measures requested by the IMF and other creditors to sustain its finances. This will inevitably lead to more popular discontent.

Political and Geopolitical Implications

In Greece protest movements have been able to influence political actors without becoming a political organisation. The perception by the SYRIZA-led government in Athens that its support base was overwhelmingly least sympathetic to anti-austerity movements has certainly influenced the government in its decision to repeatedly involve the electorate during the negotiations and implementation of austerity measures. The electorate was clearly involved in July 2015, when Greece's Prime Minister Alexis Tsipras called a referendum to decide whether Greece was to accept the bailout conditions proposed jointly by the EC, the IMF and the ECB. The September 2015 snap election triggered by the prime minister can be understood in the same context. They are both examples of the government's need to obtain popular legitimisation amid the stringent austerity parameters it was forced to operate in. Notwithstanding the differences between the Jordanian and Greek political system, Amman's government may be interested in acting along similar lines by giving Jordanians the opportunity and the responsibility to vote on whether the government should accept or reject the IMF package. Arguably, the compromises that the SYRIZA-led government was forced to make in order to receive aid from the EC, the IMF and the ECB caused the slow but steady erosion of support for Tsipras. This culminated, in July 2019, with SYRIZA's defeat in Greece's parliamentary election and the victory of the centre-right New Democracy party led by Kyriakos Mitsotakis.

Due to evolving dynamics in the Middle East, when taking into account the situation inside Jordan it is also necessary to consider the wider regional context. Amman's economic struggle and the consequent discontent of the population increase Jordan's dependency on its donors. This is problematic if the same donors promote regional agendas that King Abdullah cannot endorse. Crucially, the Hashemite Kingdom could face mounting internal pressure while expecting to receive external pressure from the single country that each year provides some 70% of the aid received by Amman: the United States (US). The US is keen to have Amman on board to ensure the success of Kushner's peace plan for the

Israel-Palestine conflict. The plan would almost certainly involve Jordan taking in more Palestinians in exchange for economic investments (“US Peace Plan Rings Alarm Bells”, 2019). However, King Abdullah’s country is already home to nearly two million Palestinian refugees while East Bankers are increasingly worried about the further deterioration of Jordan’s social security guarantees vis-à-vis the growing number of refugees from the West Bank (“US Peace Plan Rings Alarm Bells”, 2019). Even more problematically, if Jordan agrees to bury its backing of a Palestinian statehood by endorsing Kushner’s plan, the MB – affiliated with the axis of resistance against Israel – would gain further momentum to delegitimise Jordan’s rulers.

Indications for Jordan

In Greece, members of protest movements have, to some extent, been able to channel their discontent towards the IMF and EU imposed austerity through elections. However, as further pension cuts and tax increases scheduled by the government in 2017 are expected to come into effect in early 2020, people’s disillusion with the government’s ability to represent their interests in EU forums will grow. This is especially true now that the centre-right New Democracy party – traditionally associated with a neoliberal and IMF-aligned economic vision – is in power.

As in the case of Greece, people’s economic grievances are set to shape Jordan’s policy-making for the foreseeable future. However, it appears that it will take Amman’s government some time to implement the governance and electoral reforms requested by Jordanians to feel that their grievances can be addressed through the ballot box.

The significant social and political differences between Amman and Athens, especially the more limited impact elections have on government decision-making, are likely to cause an explosive situation if Jordan is forced to implement in full the austerity measures required to receive the IMF aid package. In such a context, the “national dialogue” initiative launched by the new government would do little to ease the level of discontent on Jordan’s streets. It is possible to suggest that in the coming months – when more IMF-proposed reforms will be considered by the government – Prime Minister Al-Razzaz will have to find ways to obtain as much legitimisation from the people as possible, similarly to what Tsipras did in Greece. This will have to take place without waiting for a more comprehensive and lengthy reform of Jordan’s political system.

As already occurred in the case of Greece, austerity-related economic grievances are set to cause countrywide protests that will put unprecedented pressure on Jordan’s establishment. However, while protesters in Athens overwhelmingly focused their demands on socioeconomic aspects, Amman’s policy-makers will likely have to include reforms enhancing government accountability and effective political representation to appease demonstrators.

Jordan's negative future financial outlook – the growing public debt to GDP ratio in particular – suggests that, at least for neoliberal economic standards, a significant reduction in government spending – it currently accounts for some 20% of the country's GDP – cannot be postponed indefinitely.

Amman's ongoing financial hurdles are increasing the leverage of the country's creditors and donors, and the IMF is likely to push its neoliberal economic strategy with more insistence. Furthermore, in the coming months Jordan will have to carefully assess the requests of its traditional sponsors. For instance, King Abdullah is unlikely to accept financial aid from the US if it is subject to welcoming more refugees. Such a condition would represent a long-term unbearable economic burden on Jordan's already overstretched welfare state.

The nature and demands of protest movements inside Jordan are likely to evolve hand in hand with changes in the country's financial situation and with the government's response. Therefore, it is in the interest of Jordan's backers, such as the EU, to maintain a direct channel of communication to support and advise Jordan's government in addressing protesters' demands – especially the ones calling for greater popular participation in Amman's political decision-making. Such an effort can help to ease future tensions and prevent chaotic outcomes. The explosion of instability inside Jordan is highly detrimental to EU interests in the MENA region. With the rest of the Arab Levant already plunged into severe instability and affected by war, Amman remains the EU's only reliable partner in the region to address issues such as regional conflicts, Jihadist terrorism and refugee crises.

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