News
As mentioned in Jordan Times, King Abdullah II and the EU Commissioner for Enlargement and European Neighbourhood Policy Johannes Hahn held a meeting in Amman 22 October 2018, where they discussed an expanded strategic partnership (Jordan Times, 2018a). Once again Commissioner Hahn emphasized the important social and humanitarian role played by Jordan towards the 1.3 million Syrians staying in Jordan and the need for strategic cooperation ensuring safety and stability in Jordan and the Mashreq region. A stable Jordan is an important foreign policy goal for the EU, not least because of the Syrian crisis.

Summary
Jordan was also exposed to protests and demonstrations in the so-called Arab Spring in 2011. During 2018, where we have seen renewed protests in Jordanian cities – mainly as a result of a highly unpopular tax law and increasing fuel and electricity prices – it seemed that a renewed Arab Spring took place. The political unrest has been ongoing all the while Jordan has been hit by significant economic problems, first of all a huge budget deficit, low growth and a permanent negative balance of trade. In addition to that Jordan fights with rapidly decreasing water resources, large numbers of refugees and pressure for reforms from the side of the IMF. The challenges tend to undermine the Jordanian regime, but so far without serious consequences for King Abdullah – probably as a result of external support, first of all the EU and the US.

Key Words
Jordan, EU, strategic partnership, (in)stability, financial crisis, water, refugees, renewed Arab Spring

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Analysis:

Introduction

On New Year’s Eve 1977 US President Jimmy Carter held a speech in one of the Shah-palaces in Teheran, where he described Iran as “an island of stability in one of the most troubled areas of the world”. Since then the well-known *faux pas* has become an often-used metaphor in the Middle East to characterise regimes which initially might appear stable and secure, but in reality do not live up to the – in the given context – inflated label.

During the so-called Arab Spring in 2011 it was a noticeable fact that Jordan – like several other Arab states – had its share of demonstrations and unrest. It was also a fact that the Jordanian regime remained almost unchallenged in charge and control. One of the reasons why things never went out of control, probably was an understandable pragmatism from the side of the Jordanian people, who realized that as long as the crisis in Syria was a tragic reality, it seemed unrealistic or maybe even politically unwise to “rock the boat” in Jordan too much.

Seven years later the crisis in Syria is still far from over, but gradually it seems relevant – and certainly also politically necessary – to start talking about the many challenges related to a possible post-war scenario. In Jordan, for many years housing Palestinian and Iraqi refugees, demographic concerns prevail (Yahya, Kassir et al. 2018), but it seems fair to argue, that the impact on Jordan of the crisis in Syria will decrease over the coming months and years. If there is an interconnectedness or not might remain an unanswered question, but it is a fact that during most of 2018 we have seen increasing protests and demonstrations in Jordan – like in 2011.

In other words, a renewed “Arab Spring” seems to be lurking. And at the same time the Jordanian state is exposed to an increased pressure from a growing internal financial crisis, increasing pressure from the IMF (insisting on economic reforms), huge problems with the Jordanian water resources, enormous expenses related to the presence of refugees and tendencies, from time to time, to donor fatigue – as often stated by representatives from the “official Jordan” (JIF 2018). The article will discuss how the recent critical development can be understood and what the consequences for the Jordanian state most likely will be.

Jordan in 2018 – unrest and political crisis

A general strike on 30 May 2018 organized by Jordanian trade unions initiated protests and demonstrations which over the next month hit Jordan and made it look like a reignited Arab Spring. The protests targeted a new tax law aiming at tackling Jordan’s
huge public debt. When in the following days the tax law was followed by raised fuel and electricity prices the demonstrations escalated and led to protests not only in Amman but in cities across Jordan.

The protests seemed to have a relatively broad base, combining marginalized and impoverished Jordanians with people from the middle class, who felt their income being eroded as a result of IMF inspired austerity measures over the last years. Furthermore, the middle class were frustrated with a shortage of formal sector jobs and with widespread corruption in the public administration. As mentioned by James Dorsey King Abdullah publicly stated that he stood by the people and wanted to “deal with the crisis in a novel manner, away from the traditional style” (Dorsey 2018). However, when he did intervene he quite as usual reacted by firing incumbent Prime Minister Hani al-Mulki and asking the designate PM to form a new government. The attempt to put an end to the protests by letting al-Mulki go had in itself no effect. The replacement PM, Omar Razzaz, was designated on June 5th and a few days later a new Cabinet with 28 minister was presented to the Jordanian King – and later on to the Jordanian public (Jordan Times, 2018b).

Razzaz met with the trade union leaders on June 7th and following a public announcement that the government would withdraw the proposed tax bill, the demonstrations came to a halt. Later on, however, protests and demonstrations re-emerged, arguing that an IMF-inspired bill passed in September only contained cosmetic changes compared to the one that brought down the al-Mulki government in June. Also, the protesters have claimed that no relevant steps have been taken in order to fight corruption. In October a minor reshuffle of the government took place, keeping key ministers, but the main impression from what is going on in Amman is that an unstable and relatively inactive government still seems to be a reality in Jordan.

**Economic and social challenges**

As mentioned in the Bertelsmann Transformation Index (BTI) Country Report the Jordanian economy continues to struggle with a significant reliance on external funding. A huge budget deficit, low growth and a permanent negative balance of trade make it necessary for Jordan to finance new investments and activities via loans and aid from the IMF and international donors (Bertelsmann 2018). The EU-funded projects, taking place in so-called Special Economic Zones, which should benefit from an EU-Jordan agreement on EU’s liberalizing of its “rules of origin”, have so far not become a success. Rather few factories have obtained the authorization to export under the scheme related to the agreement. It seems that Jordanian companies lack the necessary experience and marketing networks for exporting to the EU market and it is also a
problem that the Jordanians face strong competition from Asian producers, which are able to produce at extremely low costs (Arroyo 2018).

Added to the economic challenges related to the Jordanian financial problems and the production sector issues, the Jordanians are facing a significant potential crisis attached to the lack of water resources. The question of lacking water for the Jordanian agriculture and production sector is already threatening producers here and there in the dry areas of Jordan, and – as a recent phenomenon – creating animosity towards the presence of refugees in Jordan. As shown by Anne Marie Baylouny and Stephen Klingseis, local “populations have begun to view the Syrians as an invading group, competing for resources, economic goods and social relationships” (Baylouny and Klingseis 2018: 112). The refugees constitute an important element in the cooperation between Jordan and the international donors, in particular the EU, which has obvious interests in supporting the Jordanian efforts in securing that the more than 650,000 Syrian refugees do not contribute to unrest and/or security problems (Seeberg 2018).

At the same time the Syrian refugees constitute an integrated dimension of the specific bilateral Jordan-EU agreements related to the Jordanian economic and social development. The refugees are in principle given a strong prioritization in the recent projects and plans launched in connection with the financial aid from the EU to Jordan. But since the activities do not really work out as they were planned the refugees fail to benefit very much from them (Turner and Lenner 2018). The ambition from the side of the EU has been to support health and education, economic development, job creation and integration into the Jordanian labour markets, for both the Jordanian host communities and the Syrian refugees, especially vulnerable groups such as women and youth (GoJ 2018). But due to the inefficient and poorly organized Jordanian labour market the reform plans only to a limited extent succeed in integrating the Syrians, all the while talk about when repatriation of the Syrians will become possible add to the unclear situation in Jordan regarding the relationship between the Jordanian population and the foreign population, in particular the Syrian refugees (Jordan Times, 2018c).

Conclusions

Summing up the question seems to be to what extent the renewed Arab Spring tendencies in 2018 are related to the severe financial crisis in Jordan? Looking at the political realities after the replacement of the former government we can see that the demonstrations and unrest have calmed down, so that the fall of 2018 has been quieter than the early summer. This does not mean, however, that the criticism has stopped completely. The Jordanians are still angry with the government and the regime, but apparently it seems to be difficult to mobilize for lasting protests.
That said, 2018 has been a difficult year for the Jordanian regime. The combination – on one side – of significant protests against changing tax laws, increased fuel and electricity prices and – on the other side – the serious economic and social problems for the Jordanian state, make Jordan appear fragile and also prone to security threats both from neighbouring Syria and from the internal unrest. The regime tries, so far successfully, to keep up good relationships with both the EU and the US, and as long as it keeps its promises vis-à-vis these two strong international actors, it will without doubt be difficult to contest. But the internal criticism and the looming financial and social hardships will not go away in a short-term perspective. Probably much will depend on the economic development in Jordan in the rest of 2018 and 2019. If the regime succeeds in improving the economy to a degree where it becomes possible to soften the economic burdens on the population, the King might gain some of his lost legitimacy and support. If not we might see even stronger renewed Arab Spring tendencies in what used to be an island of stability.

References


