

The State and Its Competitors

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For many in the Arab world, the modern European-style state is an awkward device, imposed after the demise of the Ottoman Empire and sustained for the succeeding century by little more than what Stephen Krasner famously called the “organized hypocrisy” of international sovereignty.¹ In fact, the interwar efforts to fasten the institutions of European-style states to the populations of the region introduced several deeply dysfunctional dynamics into modern political life. They established expectations for government that would prove impossible to meet while imposing a system of rule that, far from creating citizens, often reinforced nonstate identities and created deep communal resentment and anger.

The European—soon to be “international”—principle that territorial states were to be the organizational structure for participation in what the Covenant of the League of Nations called “civilization” was to mean that aspirations to be rid of European domination had to be couched in terms of independence for these kinds of political units. Only “sovereign states,” understood as the territorial units imposed by European imperialism, could hope to join the “advanced nations” that represented “civilization.” Alternate vehicles for political community would not be recognized; it was inconceivable that the Shammar tribe, for example, or the Islamic *umma*, the Berbers of Kabylia, ARAMCO, the Sanusi religious order, the House of Sa‘ud, or the Muslim Brotherhood could become independent as such. So peoples and communities aspiring to rule themselves adopted the attributes of states. Tribes and ethnic groups, sects and trade networks, banded together, repressed mutual hostilities, and claimed sovereignty.

From the short-lived United Arab Republic to the interminable Question of Palestine, the region’s governments and peoples contested the borders and boundaries they inherited, but the stability of the succeeding decades of sovereign rule in the Middle East seemed to convey acquiescence in, if not satisfaction with, the territorial states bequeathed the region by European imperialism. By the 1980s, the region had settled into a sullen political stability that obscured widespread stagnation and resentment.

But the communities and identities of the past persisted. Osama Bin Laden himself reminded listeners in the broadcast in which he acknowledged al-Qa‘ida’s responsibility for the attacks of 11 September 2001 that “what the United States tasted today is a very small thing compared to what we have tasted for tens of years. Our nation has been tasting this humiliation and contempt for more than eighty years.” Should his audience have missed the significance of the illusion to eighty years of humiliation, he clarified it several weeks later: “Following World War I, which ended more than eighty-three years ago, the whole Islamic world fell under the crusader banner . . . Those who refer things to the international legitimacy have disavowed the legitimacy of the holy book.”²

Bin Laden’s alienation from the internationally recognized states of the Middle East was not universal in the region. Neither was it entirely exceptional. If disillusionment with the existing states was rarely expressed in outright support of al-Qa‘ida or other

violent movements, it was routinely exhibited in what was, from the state's perspective, corruption. In 2011, it found voice in opposition to the policies, then the governments, then the regimes, and in some places ultimately the states of the region. What began as the self-immolation of a vegetable vendor in southwestern Tunisia frustrated by arrogant and predatory government policy sparked region-wide challenges not just to unresponsive governments but to tyrannical regimes and reviled states.

The League of Nations recognized two kinds of political unit: independent states and territories "which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world." Among the latter were "certain communities formerly belonging to the Turkish empire [that] have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone." Article 22 of the League Covenant declared that for these territories, "there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilization."³

Two important elements of political theory and practice were introduced in this formulation: internationally, "independence" depended on "recognition," while domestically "well-being and development" were deemed the responsibility of political authorities.

Within the Middle East itself, whether the peoples of the region could manage the strenuous conditions of the modern world was self-evident. Kurdish, Arab, and Maronite communities of the Ottoman Empire—perhaps even the world's millions of Muslim followers of the Ottoman Caliphate—considered themselves ready for recognition as independent nations in 1919. (Ariel Ahram details several examples in his contribution to this roundtable.) But, of course, none of them was accorded recognition as even a provisional state. Instead, territorial units—Syria and Iraq, for example—were carved from the Empire with little regard for the political identities or aspirations of local communities.

Three decades later, on the verge of their independence, the economist Alfred Bonne observed that, "the existence of such thinly populated countries as unrestrictedly sovereign states is impossible without the support of larger States. . . . It is not so long ago that independent State existence was contingent upon military strength and healthy finance."⁴ Bonne summarized the unique challenges that the post-Ottoman Middle East would face: the creation of the League of Nations in 1919 had inaugurated a world system that permitted—indeed, demanded—"independent State existence" in the absence of the military or financial resources to sustain it.

Moreover, this "international system" imposed novel obligations on sovereign states: they were now expected to look after the welfare of their populations. Having come relatively late to the region, the European imperialists were preoccupied with the strategic—as opposed to economic—value of their possessions and they justified their rule as enhancing the welfare of the "natives." They portrayed themselves as guardians, responsible, if not to, then certainly for, their charges. Colonies, which had once been viewed principally as valuable sources of raw materials and markets for manufactured goods, now entailed significant obligations.

Thus, the European rulers endowed the states of the post-Ottoman Middle East with relatively elaborate administrations. Boundaries were demarcated, police forces

established, laws promulgated and enforced, nomads settled, peasants brought to markets, roads, railroads, and ports built, schools opened and staffed. Far from mere caretakers, the colonial regimes reshaped many aspects of life. Because status and stability counted for more than profit in collecting colonies at this late stage of imperialism, the European powers did not design the new states to be economically self-sustaining. If economic development was not a high priority for the colonial powers, however, social welfare was. Although many observers criticized the European-backed administrations for not having done more to improve the lives of the people under their control, both the rationale and the institutions for government spending on social services and public welfare were introduced—and widely accepted—in the interwar period.

Although much was made of the European insistence on fiscal restraint and financial solvency, most of the local colonial administrations relied on substantial subsidies from their home governments. Naturally, the relatively light fiscal burden borne by the local population went hand in hand with equally rudimentary systems of political accountability. The parliamentary regimes in the interwar period were never effective governments. Moreover, despite their refusal of formal recognition, the imperial powers often delegated substantial authority to local ethnic, sectarian, and linguistic communities.

Thus, at independence, the rulers of the Arab world were not constrained by institutions actually designed to foster government accountability. They did find themselves facing demands for generous welfare provisions, however, and often equipped with the institutional infrastructure to supply them. The accession of the countries of the Middle East and North Africa to formal independence, and the replacement of the European Great Powers by the Cold War's superpowers as the region's external patrons, after World War II changed the resources available to the governments but not the rules of the game they played.

The nationalist rulers adopted the imperial conception of the state as an active and intrusive instrument of change. The Europeans expected state intervention to guarantee their interests in the region, while the nationalists anticipated using the state administration to ensure independence and sovereignty. They were equally persuaded, however, that the apparatus of an interventionist state was the best means to further those ends. Like their European predecessors, the nationalist leaders saw their role as tutelary, although they typically portrayed themselves as “fathers of their country” or “vanguards of the people” rather than “protectors” of “peoples not yet able to stand by themselves.”

The primacy of political imperatives for the postindependence governments was evident in the high proportions of their budgets devoted to welfare—and in the lack of outcomes measures. Among the best-known welfare provisions in the region were consumer subsidies. In 1982, Egyptians were recipients of nearly seventy-four dollars each in food subsidies, Tunisians thirty-nine dollars, and Moroccans thirty-three dollars. By 1995 the World Bank dryly observed, the “investments in human capital appear to have generated poor returns.”⁵ Nonetheless, twenty years later, The Middle East and North Africa accounted for fully half of all energy subsidies in the world and three quarters of the countries of the region subsidized food.⁶

Who paid for this? Like the colonial administrators, national governments used the interests of international actors to maintain a steady flow of revenues. Investment rose during the postwar period, but except in the oil-producing countries savings failed to increase at the same rate; the resulting “resource gap” was larger in the Middle East

than anywhere else in the developing world. The oil producers had revenues to cover their costs; for the non-oil producers, the gap between domestic savings and investment was filled by nonoil rents: the drawing down of hard currency balances in the immediate postwar years; foreign aid from former metropolises, superpowers, and Arab oil producers; and official borrowing. The specific sources of outside revenue varied from country to country—only Egypt enjoyed Suez Canal transit receipts, for example—but the region-wide pattern was striking.

The relative insignificance of domestic fiscal support for states in the Middle East, combined with rapid population growth, led to deteriorating service delivery and increasingly careless data management. In the 1990s, Egypt estimated that its nationals abroad were sending \$2.5 to \$3 billion in remittances home each year, roughly one-third of what was actually coming into the economy. Neither the Egyptian nor the Saudi or Libyan governments compiled statistics on the Egyptians working in those oil-producing countries, however, so the statistics are hard to know. Why should any of them bother to monitor—much less serve—populations that contributed next to nothing to government revenues? Even today, after decades of “fiscal reform,” nonoil tax revenue is only about 10 percent of GDP in Egypt, a figure the IMF described delicately as “very low for a modern economy like Egypt’s.”⁷

Nonetheless, and despite the highest unemployment rates in the world,⁸ at least until recently very few people in the Middle East were dying of hunger. In part, this reflected government-sponsored social welfare programs. More important, however, was the growth of the informal economy. In Egypt and Algeria, the hidden economy—transactions of which the government had no record—probably amounted to more than one-third of GNP in the late 1980s. By the mid-2010s, well over half the commercial transactions in Egypt were unrecorded—only 10 percent of Egyptians even had a bank account. (By contrast, mobile phone penetration in Egypt was nearly 110 percent).⁹

Most of the activity of the informal economy, in Egypt and elsewhere, depended upon personal networks of family, friends, and associates. Informal saving associations, like Egypt’s *gam‘iyyāt*, permit small investors access to credit through networks of friends and neighbors, operating as alternatives to banks. Across the region, ordinary citizens relied on friends, family, ethnic and religious ties, moneychangers, even criminal networks, to obtain necessities: education, health care, employment, authorizations to sell, to manufacture, to trade, to travel, in short, to live a reasonable life in the 21st century. As Ellis Goldberg’s contribution shows, liberal state-centric citizenship is a thin and diffuse relationship even in the best of circumstances; it was further frayed as the welfare states established under European tutelage in the interwar period and sustained by the industrial world’s reliance on petroleum and by the rivalries of the Cold War lost control of the populations they had ostensibly been designed to serve.

By the turn of the century, the erosion of the state began to reveal the outlines of alternatives, many of them reflecting the effects of state reliance on personal loyalties. From the very beginning of European influence, both supporters and foes of the regimes in the Middle East were encouraged, often by deliberate policy, to organize around noneconomic familial, patronage, or identity-based commonalities. The efforts to rule a Shi‘i population through a Sunni monarchy in Iraq, to carve out states for religious communities in Lebanon and Palestine, to recruit sectarian minorities into the military

in Syria, to provide economic privileges to Berbers in North Africa, all established a pattern that outlasted European rule. Many of the postindependence regimes fostered personalistic ties as a mechanism to secure loyalty and distribute resources. Thus did the clients of Morocco's king, the residents of the Iraqi president's natal village, the members of the Qadhafu clan in Libya, the Alawi sect in Syria, the royal family in Saudi Arabia, all enjoy preferential access to government-controlled benefits.

In some countries, particularly monarchies, the state apparatus was little more than the administration of a family-owned business, one that happened to have a seat at the United Nations. Elsewhere, the bending of the state to the purposes of tribes, sects, and clans created the resentments apparent in the aftermath of the upheavals of 2011. In Iraq, Shi'i bitterness over Sunni rule was reflected in local political rivalries; in Syria both the government and its opposition were riven by ethnic and sectarian divisions; in Libya, regional and local discord devoured the public administration. There were few defenders of the state system not least, as Rabab El Mahdi's essay shows, because the state itself had become as much a supplicant as a provider.

That we have an impoverished vocabulary—"nonstate actors"—to capture and describe the alternatives to the state does not make them less powerful. As Ellen Lust's contribution suggests, they may oppose the existing states, ignore them, or colonize them (as do, for example, Charles Tripp's "shadow states"), but they rarely simply reflect or support them. The Ikhwan (brotherhood), the Taliban (students), al-Qa'ida (the base), Hizbullah (the party of God), and even al-Dawla al-Islamiyya (the Islamic State)—not to say the Amazigh World Congress, House of Al Sabah, the Kurdish Regional Government, the Houthi insurgency—are various ways of conveying a political purpose and identity that is not circumscribed by the international state system. These groups flourish where such states are weak or absent but they do not necessarily aspire to construct new or stronger states, at least not on the European model.

The growing visibility of such alternatives reflects the fraying of the façade of the state system. For many in the region, the public institutions associated with the internationally recognized states have proven untrustworthy and destructive. Perhaps the most perverse feature of this historical moment is that the peoples of the Middle East are punishing each other for accumulated grievances against states they never wanted.

NOTES

¹ Stephen Krasner, *Sovereignty: Organized Hypocrisy* (Princeton, N.J.: Princeton University Press, 1999).

² Broadcasts by Osama bin Laden in *Anti-American Terrorism and the Middle East: A Documentary Reader*, ed. Barry Rubin and Judith Colp Rubin (Oxford: Oxford University Press, 2002).

³ Yale Law School, Covenant of the League of Nations, accessed 7 December 2017, http://avalon.law.yale.edu/20th_century/leagcov.asp.

⁴ Alfred Bonne, *State and Economics in the Middle East: With Special Reference to Conditions in Western Asia & India* (New York: Routledge, 2013).

⁵ World Bank, "Claiming the Future: Choosing Prosperity in the Middle East and North Africa" (report by the World Bank, Washington, D.C., 1995).

⁶ International Monetary Fund, "Energy Subsidy Reform: Lessons and Implications" (policy paper by the International Monetary Fund, Washington, D.C., 28 January 2013), accessed 7 December 2017, <https://www.imf.org/en/Publications/Policy-Papers/Issues/2016/12/31/Energy-Subsidy-Reform-Lessons-and-Implications-PP4741>. See also World Bank, "Corrosive Subsidies in MENA," 12 November 2014, accessed 7 December 2017, <http://blogs.worldbank.org/futuredevelopment/corrosive-subsidies-mena>.

⁷Christine Lagarde, “Moment of Opportunity—Delivering on Egypt’s Aspirations” (speech, Sharm El Sheikh, Egypt, 13 March 2015), accessed 15 December 2017, <https://www.imf.org/en/News/Articles/2015/09/28/04/53/sp031315>.

⁸“Youth Unemployment in the Arab World,” *Economist*, 9 August 2016, accessed 7 December 2017, <https://www.economist.com/blogs/graphicdetail/2016/08/daily-chart-7>.

⁹Amira Salah-Ahmed, “Egypt: The Challenge of the Unbanked,” *The Africa Report*, 12 October 2015, accessed 7 December 2017, <http://www.theafricareport.com/North-Africa/egypt-the-challenge-of-the-unbanked.html>; Mohamed Alaa El-Din, “Mobile Subscribers Increased by 970,000 in October 2016,” *Daily News Egypt*, 28 January 2017, accessed 7 December 2017, <https://dailynewsegypt.com/2017/01/28/613074/>.