

The 2018 Jordanian Demonstrations: Neoliberalism, Social Contracts, and the Impact of IMF

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Abstract

Objectives: The objective of the article is to analyze the street protests that took place from June to November 2018 against the reforms forced by the IMF.

Method: The research method utilized for this research is the qualitative method.

Results: Consequently, the following results were determined: The 2018 demonstrations differed from the previous protests because of civil society's cohesiveness in organizing and leading the demonstrations with almost no violence. From the authors' perspective, the external pressures outweighed the internal pressures. Changes to the social contract were a definitive reason for the protests. The protests achieved some of the goals that they had set out to achieve. These protests were not a form of reignited "Arab Spring."

Conclusion: In conclusion, While Jordan has seen street protests from time to time, these demonstrations while they were different, are not the beginnings of a new "Arab Spring". Rather, they were some of the most effective protests in the last 2 decades contract were a definitive reason for the protests. The protests achieved some of the goals that they had set out to achieve. These protests were not a form of reignited "Arab Spring".

Keywords: Jordan, Neoliberalism, Legitimacy, Social Contract, Post Arab Spring.

مظاهرات الأردن 2018: النيولبرالية والعقود الاجتماعية وتأثير صندوق النقد الدولي

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ملخص

الأهداف: الهدف من المقال هو تحليل احتجاجات الشوارع التي اندلعت في الفترة من يونيو إلى نوفمبر 2018 ضد الإصلاحات التي فرضها صندوق النقد الدولي.

المنهجية: طريقة البحث المستخدمة في هذا البحث هي الطريقة النوعية.

النتائج: تم تحديد النتائج التالية: اختلفت مظاهرات 2018 عن الاحتجاجات السابقة بسبب تماسك المجتمع المدني في تنظيم وقيادة التظاهرات دون عنف تقريباً. من وجهة نظر المؤلفين، فاقت الضغوط الخارجية الضغوط الداخلية. كانت التغييرات في العقد الاجتماعي سبباً قاطعاً للاحتجاجات. لقد حققت الاحتجاجات بعض الأهداف التي وضعوا لتحقيقها. لم تكن هذه الاحتجاجات شكلاً من أشكال إعادة إشعال "الربيع العربي".

الخلاصة: في الختام، بينما شهد الأردن احتجاجات في الشوارع من وقت لآخر، فإن هذه المظاهرات رغم اختلافها، ليست بدايات "ربيع عربي" جديد. بل كانت من أكثر الاحتجاجات فاعلية خلال آخر عقدين.

الكلمات الدالة: الأردن، النيولبرالية، شرعية، عقد اجتماعي، بعد الربيع العربي.



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Introduction

Jordan is known for its unique geopolitical status in the Middle East. Despite the turbulence around it, it has managed to maintain its status as an “island of peace” since its independence in 1946. Consequently, the 2018 Jordanian demonstrations surprised many. They were an indication that even though Jordan is relied on to be an area of stability, within the ongoing turbulence of the Middle East; no one is exempt from the external forces in an international community that experiences internal turmoil. However, the demonstrations were perceived as a reaction to the unveiling of the new reforms related to the IMF’s USD 723 million loan to Jordan.

Primarily, there were two sets of protests that year: in June and in November-December. The austerity measures backed by the International Monetary Fund led the Jordanian government to abolish bread subsidies and impose taxes on 164 commodities (Masri, 2018: 118). The November-December protests were in opposition to the incorporation of these bills into the legislation of the tax law. The legislation sanctioned a tax hike into effect that raised employees’ “income tax by five percent and corporate levies by between 20 and 40 percent” (Dorsey, 2018, no page numbers).

During this time, Jordan was concurrently experiencing budget as well as trade deficits and high job insecurity as well as unemployment. The high number of refugees in Jordan and water shortage along with tension in the Middle East added to the situation. Prime Minister Omar Al Razzaz replaced Prime Minister Hani al-Mulki because of the summer protests. The new prime minister had previously been the Minister of Education and worked as an economist for the World Bank (WB). Even after the new prime minister was appointed, demonstrations continued. It was not until “Razzaz quickly announced that the Amended Income Tax Draft Law would be withdrawn and that a new law would be drafted after consultation with a broad array of social and political actors” (Ranko et al., 2018: 5) that the protests subsided.

It was evident that the 2018 protests were dramatically different from the previous demonstrations that occurred during the Arab Spring over the past seven years because large portions of the civil society (trade associations, professional association, etc.) led and participated in the demonstrations. Trade unions organized the protests to eliminate the proposed tax law, which was meant to generate income and fulfill the IMF’s requirements. The protests were wide-ranging and inclusive, with significant participation from the middle class, marginalized groups, and disadvantaged groups.

What made these protests different from other protests is how widespread popular support for them was and how they were supported by a cross section of society, rather than just one group. Previous protests were often organised by political parties or for ideological reasons. The fact that these protests are largely non-partisan makes it much harder to dismiss them (Ranko et al., 2018: 6).

Hikes in fuel and electricity prices as a direct result of the IMF’s requirements escalated the demonstrations.

These developments were in great part due to the pressure placed on the middle class as people became more dissatisfied with the quality of their lives (Dorsey, 2018). The adjustment of the social contract between the Jordanian government and Jordanian citizens was another complicated reason behind the protests. This is characteristic of many countries that have adopted reforms imposed by the IMF and WB, for example Egypt. The social contract also changed due to the Arab Spring’s aftermath. According to a WB report “... erosion of middle-class incomes, discontent with quality of life, the shortage of formal sector jobs, and corruption rather than poverty and income inequality were at the root of the protests” (Ianchovichina, cited in Dorsey, 2018). Each new set of WB and IMF reforms caused changes to the contract. However, some elites and bureaucrats benefited from the contract and did not want it to change. Past reform efforts, especially since 2005, and the Jordanian National Agenda, which said elites had hollowed out. “The accusation was explicit: the motives behind resistance to change from such groups, which had in fact been created and sustained by the system over many decades, stemmed from their desire to protect their own private interests—even at the expense of the state” (Muasher, 2011: 3). Consequently, while these protests differed from the protests over the past seven years, they positively impacted Jordan locally, regionally, and internationally.

Previous protests occurred after the Arab Spring and its accompanying developments and repercussions that permeated Jordan and surrounding region. Considering the severe impact of this crisis on the region, the Jordanian government applied a package of political and constitutional reforms, including parliamentary decentralization and municipal elections.

Economic pressure—, which questioned the future stability of Jordan—is one of the main reasons behind the 2018 demonstrations. With the rise of taxes, decrease in subsidies, lack of support from the West for refugees in Jordan, water shortage, and ever-increasing tensions with neighboring countries, whether Jordan can maintain its stabilizing effect in region remain a question of utmost importance.

The Main Causes Behind the Jordanian Demonstrations in 2018

Economic Factors

Internally, Jordan's economic situation has had great social impacts. The global economic crises and the effects of recent political upheavals in the region have affected Jordan's economy. The Jordanian economy is small and open; since Jordan does not have any natural resources, it relies on the trade, services, tourism, fertilization, phosphate, and medicine industries. The first economic index discussed is the trade imbalance. The ongoing turmoil in the region had caused continued closure of the borders and disruption of trade movement, hampering the trade balance as Jordan's trade sector relies on imports. The figures of the Department of Statistics (DOS) indicate that the deficit in the trade balance reached JD 8,917.3 million in 2018 (DOS, 2018).

The deficit in the general budget is the second economic index. Financial deficit in the first quarter of 2018 amounted to JD 378 million, with JD 452 million without grants. In 2017, this value was JD 146 million with JD 231 million without grants. Therefore, the fiscal deficit had drastically increased, almost doubling in the period of one year. As stated by the Ministry of Defense, utilization of JD 155 million as annual cash subsidies contributed to the increasing deficit (Ministry of Finance, 2018).

The general indebtedness of Jordan is the third index, which was approximately JD 28 billion. This debt accounted for 96% of the country's gross domestic product (GDP). It is worth noting that public debt increased by about JD 757 million from the end of 2017 until the end of April 2018, as announced by the Ministry of Finance. By March 2019, public debt decreased to 94.4% of the GDP. The national electricity company (NEPCO) and Water Authority (WAJ) constituted 7.3 billion of the public debt (Ministry of Finance, 2019).

The fourth economic index is the unemployment rate, which rose by 0.2 in the first quarter (Q1) of 2018 to reach 18.4% compared to 2017. The annual unemployment rates in 2016 and 2017 reached 15.3% and 18.3%, respectively, meaning that the rate of unemployment continued to increase (Department of Statistics, 2018). Labor market vulnerabilities stem from the fact that Jordan had a labor force participation rate of 38.1% in the fourth quarter of 2017 (WB, 2018). There is substantial exclusion of graduates, youth, and females from the labor force (WB, 2018).

The WB's statement and assessing the main economic indicators have confirmed that the Jordanian economy suffers from weak economic growth rates. Jordan's GDP grew by 2.4% at the end of 2018 and by 2.5% in 2019, a slight increase from 2.1% in 2017. On the other hand, poverty and unemployment rates have increased due to the current recession and rising economic inflation rates (WB, 2018).

Considering the above-mentioned economic realities, the government pursued economic policies aimed at easing the pressure on the economy and improving its performance. However, the different policies and practices, most of which were imposed by the IMF's neoliberal policies, created economic pressure on the citizens. The most important governmental policies implemented include increasing taxes to generate financial revenues for the Treasury by imposing taxes on water, electricity, oil derivatives, and other commodities. Tax revenue increased from 2012 to 2018.

At the beginning of 2018, in an attempt to secure a loan from the IMF, the government adopted a number of measures, including reducing subsidies and increasing tax rates. The government imposed a 10% tax on 164 items, and 4% and 5% on other goods that were previously tax-exempt (*Al-Ghad Newspaper*, 2018). The imposition of more taxes on goods and services without discretion negatively affected the national economy, as Jordan witnessed an increasing recession and decreasing purchasing power of its citizens, which negatively affected the total tax revenues.

Here, it is necessary to refer to the Draft Income Tax Law, which was a decisive factor causing the strike and protest. The Draft Law required all who are above the age of eighteen to obtain a tax number. It also stated that individuals making

at least JD 8,000 and families making at least JD 16,000 had to pay taxes (*The New Arab*, 2018). It was estimated that this law would collect JD 280 million in the form of new revenue in 2019. By expanding the taxpayer base, the government was expected to generate JD 180 million. The rest would be obtained from pursuing tax evaders (*The Jordan Times*, 2018).

The drafting of the law led to a strike by trade unions and dozens of economic and trade union activists demanding the Draft Law's withdrawal. Failure to reach a consensus, despite the House of Representatives' intervention, resulted in the protesters demanding the government's resignation.

The general impression of the public opinion regarding economic policies is that the IMF's policies and corresponding corrective programs adopted by Jordan negatively impacted the citizens, especially with regard to the market's liberalization and decreasing subsidies. To alleviate this, the government intended to ask the IMF to grant Jordan more time to implement the reforms after it sparked widespread protests. Consequently, the IMF's officials proposed a new approach to solve Jordan's problem, that is, providing it debt and extending the program period to give Jordan more time to secure revenues (*Al-Ghad Newspaper*, 2018).

At the beginning of 2016, the former Minister of Finance, Omar Malhas, announced that Jordan was about to conduct difficult economic reforms required by the IMF in the next phase. The previous phase had lasted from 2012 to 2015 and focused on fiscal and monetary policies. The new phase would last three to four years and address the budget deficit and rising public debt. However, this new package would also address labor, energy, and water ministries, including a focus on women's participation in the labor market. This package was intended to provide confidence to donor investors in Jordan (*Jordan Times*, 2016).

Political Factors

The dire situation that Jordan found itself in 2018 was not just due to economic factors. The economic issues were complicated by political subtleties. These include the role of civil society, importance of the democratic transition, and political participation in achieving stability and overcoming different challenges.

Civil Society

The role of civil society cannot be understated in Jordan in 2018. Enhancing the presence of civil society and its organizations faces several obstacles, including laws and legislation, access to necessary funding, and tribal and clan culture. The weak role of institutions creates a sense for those who hang on the clan identity, as the clan benefits them and assists them in overcoming any obstacles, such as those related to work or education. Therefore, loyalty to institutions comes second to tribal allegiance. The nature of society's tribal arrangement and service gains achieved through influence and power in elections strengthens the tribe to face civil society organizations and challenge state institutions (International Center for Not-for-profit Law, 2013).

Samiul Hasan from UAE University makes several overarching observations about civil society in the MENA region that apply to Jordan. The philanthropic activity in the region is weak, as is the infrastructure, and there is tight government control (both economically and politically) over NGOs (non-governmental organizations). The greatest problem for civil societies everywhere is funding. However, the difference is that domestic organizations enjoy certain tax incentives and international donors are limited due to government "supervision" (Hasan, n.d.).

One focus has been on "the importance of civil society in expanding the scope of political freedom, checking state power, and engendering good public policy" (Wiktorowicz, 2000: 44). The public space created can bring about "collective action, promote individual liberty and can promote good governance outside formal political structures" (Wiktorowicz, 2000: 44). In general, they empower groups and individuals. A number of studies have observed that promoting the civil society enhances political freedom and democracy (Wiktorowicz, 2000). These groups and the space they create facilitated the rise of the 2018 demonstrations.

Political Participation and Elections

Lack of dialog between the government and demonstrators could have a major impact on the process of democratization. As pointed out by Wan Linz, political power or political leadership is responsible to stabilize faith in democratic values and ensure the achievement of economic and social requirements necessary to enable citizens to participate in the process of

democratic transformation. In this context, non-provision of economic and social requirements creates a lack of active participation, which is the main objective of democratic transformation (Eman, 2016).

When we talk about political organizations at the national level, it becomes clear that weakness persists in the Jordanian House of Representatives and among political parties, both on the ground and within the House of Representatives. In 2018, the House of Representatives was unable to persuade the government to withdraw the Draft Tax Law. In addition, the other elected councils, especially the Governorates councils, were unable to fulfill their objectives due to their weak laws and ambiguous powers. This only confirms that holding elections and achieving the fulfilling required goals requires effective and organized political organizations to defend the interests of their supporters (*Al-Ghad Newspaper*, 2018).

The clan authority's influence and the predominance of blood and kinship association in elections at all levels lead to favoritism, which has negatively impacted the government's ability to enforce laws, formulate strong state institutions, and enforce the rule of law. Furthermore, while such influences predominate in rural areas, tribal affiliations also effect the system, that is both politics and culture.

Legitimacy

There are numerous definitions of legitimacy. For this paper "Legitimacy is conceptualized as subjective individual attitudes and expectations about formal institutional authority and is often thought of as a reservoir of trust or goodwill that formal governing authorities draw on to secure acceptance and compliance with the law" (Lafree and Morris, 2012: 1). A democratic government's survival is based on its citizens' support, which legitimizes the government. "Hence, without the granting of legitimacy by the people, a democracy would lose its authority" (Dogan, 1992: 117). Michael Hudson, a preeminent authority on legitimacy, wrote about legitimacy in the Arab World. "The central problem of government in the Arab World today is political legitimacy. The shortage of this indispensable political resource largely accounts for the volatile nature of Arab politics and the autocratic, unstable character of all the present Arab governments..." (Hudson, 1977: 2).

As part of the Arab World, Jordan's legitimacy is associated with the tribal nature of its society. The tribes play a key role in supporting the Hashemite monarch. "The kings' social legitimacy derives from traditional claims of kinship, religion and historical performance" (Al Oudat and Alshaboul, 2010: 70). The tribes are one of the kings' most loyal constituencies. They operate almost as an interest group. However, this has specific implications for Jordan's political system. "The political system depends on those with the ability to strengthen the traditional bases of alliances, family ties, personal loyalties, and custom-dominated public behaviour" (Al Oudat and Alshaboul, 2010: 72). Consequently, in Jordan, the tribes are more important than formal political institutions.

Jordan's Social Contract

A social contract is an arrangement between all pertinent community-based parties and the government. It includes formal and informal rules to manage state-society interactions in a country (MENA-OECD, 2018). A social contract is "in a constant state of negotiation and renegotiation based on basic acceptance of the legitimate parameters of state-society relations" (MENA-OECD, 2018: 2).

This contract is based on a symbiotic relationship. It is accepted due to the mutual advantage of both parties. For its part, "the state should provide public goods such as national and human security, it should protect rights such as political participation, justice and religious and other freedoms, and it should provide institutions, opportunities, and services such as healthcare and education. Society—both at the level of social groups and individuals—should provide recognition and loyalty to the state as a sovereign entity, taxes, and public services so that the state can function" (MENA-OECD, 2018: 2–3).

The concept of social contracts is discussed at this point for two reasons. First, extant literature has discussed it, but not explained it. Second, it is quite relevant to the 2018 demonstrations in Jordan. It was the neoliberal reforms that pressured the Jordanian government to change the social contract for example, changing tax laws (which was also the tipping point). Many other issues drove Jordanians to the streets in 2018.

The External Influences of the 2018 Demonstrations

There is no doubt that regional and international developments greatly affect internal conditions and the environment.

The turmoil and crises within the region were the main reasons behind the economic decline and increasing pressure on the economy.

Impact of Neoliberal Goals on the Jordanian Government and People

Neoliberalism has three different meanings: as an economic reform policy, development model, or representation of an ideology that illustrates an academic paradigm (Boas and Gans-Morse, 2009). For the purposes of this study, neoliberalism refers to economic policy reforms.

Neoliberal theory is based on the concept of free trade, which is negated by rich nations when they are in the developmental stages. “They relied on protectionism and state intervention” (Shaikh, 2004: 2). The basic premise is that if markets are allowed to operate unfettered, they will “serve all economic needs, efficiently utilize all economic resources, and automatically generate full employment for all persons who truly wish to work” (Shaikh, 2004: 2). These free markets are the engines that power globalization.

To achieve the “free” markets, a three-pronged approach is utilized. First, power of the worker must be controlled by limiting the power of unions. Second, control of the state over business is reduced by privatizing state establishments to bring the markets into the realm of domestic assets. Finally, domestic markets must be receptive to the influence of foreign money and imports (Shaikh, 2004). It was once believed that the opening of free markets due to the process of globalization would cause the nation-state’s demise. However, this was dismissed because the nation-state is an integral actor that facilitates this process. The nation-state is reformed by the “restructuring and reorganization of state capacities, rather than their straightforward erosion or destruction” (Peck, 2004: 394). This creates an individualistic relationship between the state and market forces.

The issue of neoliberal policies united opponents of the process, who contended that the IMF and WB have a four-step process to address poor countries that restructure after economic difficulties. The first step is privatization “where the banks demand to silence local critics” (Palast, 2001). The second step is capital market liberalization, which permits the inflow and outflow of capital. In reality, “as in Indonesia and Brazil, the money often simply flows out” (Palast, 2001). Step Three relates to market-based pricing—a fancy term for raising prices of food, water, and cooking gas. This predictably leads to step three-and-a-half, that is, what Stiglitz calls “the IMF riot” (Palast, 2001). The riot begins after subsidies have been lifted, as was the case in Jordan. According to Stiglitz, such plans by the WB and IMF do not work, but instead destabilize democracy (Palast, 2001). Similar cases have been reported in Europe, Africa, and Asia.

A case in point is the London Conference “Supporting Syria and the Region” held on February 4, 2016. The UK, Germany, Norway, Kuwait, and the UN hosted it. Its purpose was to deal with the sea of refugees that had been pouring out of Syria since the beginning of the Syrian Civil War. Three previous conferences had failed to raise sufficient funding. The aim was to support the countries most affected by Syrian refugees, that is, Jordan, Lebanon, and Turkey. The conference had three objectives: First, to raise far more funds than previous efforts, for both immediate and mid-term needs; second, to generate job opportunities and educate refugees; and third, to pressure conflicting participants to defend civilians and ensure that the global community is ready to step in when possible (Groth, 2016). “The Conference generated pledges from States of over US\$11 billion: US\$5.9 billion for 2016 and a further US\$5.4 billion for 2017–20. Multilateral banks and other donors announced around US\$40 billion in loans, of which some (including US\$200 million from the World Bank for Lebanon and Jordan) would be on concessional terms” (Groth, 2016:6).

The Jordan Compact “sets out a series of major commitments aimed at improving the resilience of refugees and host communities, focusing mainly on livelihoods and education. The document did not include specific commitments on protection, including on legal stay, however” (Danish Refugee Council et al., 2016: 10). The compact had four major aims: enhance the free market through the revision of the rules of content, financial donations, access to finance at competitive prices (enter IMF), and upgrading the investment environment (enter WB). The compact has three interwoven principles:

1. Turning the Syrian refugee crisis into a development opportunity that attracts new investments and opens up the EU market with simplified rules of origin, creating jobs for Jordanians and Syrian refugees whilst supporting the post-conflict Syrian economy;

2. Rebuilding Jordanian host communities by adequately financing through grants the Jordan Response Plan 2016–2018, in particular the resilience of host communities; and 3. Mobilizing sufficient grants and concessionary financing to support the macroeconomic framework and address Jordan’s financing needs over the next three years, as part of Jordan entering into a new Extended Fund Facility program with the IMF (OECD, 2016).

For the purposes of this study, the new IMF Extended Fund Facility program is important. Accordingly, under the Extended Fund Facility, the IMF extended an agreement with Jordan on August 24, 2016, to provide aid of USD 723 million, which was 150% of Jordan’s normal quota. In return, the IMF demanded certain reforms. To reduce public debt, “it is critical to reduce the general sales tax and customs duty exemptions and to amend the income tax law.... adoption of the amendments to the central bank law is a step in the right direction, and those for commercial banking law and of the secured lending and insolvency laws should be expedited” (IMF, 2016: 2–3). The general sales tax and the amendment of the income tax law were forced by the IMF, when in reality, Jordan was doing the West a favor. Jordan took in refugees that Europe was either refusing or violating the human rights of. The Jordanian move helped provide stability in the region, something that the West needs to maintain its military bases and economic markets. However, the IMF was trying to change laws in Jordan that would be a major cause of the 2018 protests.

However, it is not just the economic heavyweights such as the IMF and WB that are trying to use neoliberalism policies to influence the economics and politics of the Middle East. To this list, one must add the US and EU. “Thus, it may indeed be the case that the involvement of the USA will continue to be concentrated in the areas of military and security aid, with the EU taking the lead in terms of bottom-up, societal-level engagement” (Tagma et al., 2013: 377). The authors further contend that utilizing neoliberal policies, the EU wants to influence “the Arab street to EU norms and standards” (Tagma et al., 2013: 376).

The Syrian Refugee Crisis

According to the former Minister of Planning and International Cooperation (MOPIC), Emad Fakhouri, the number of Syrian refugees who entered Jordan reached 2.9 million by 2018. Fakhouri discussed the financial impact of the crisis, including direct costs from 2012 until the end of 2017, which was USD 10.291 billion (Fakhouri, 2018). This was equivalent to about 14% of the total budget, while the annual indirect cost was estimated at USD 3.1–3.5 billion based on a study conducted by the United Nations Development Program (UNDP, 2015). In terms of employment, the number of work permits issued to Syrian refugees reached 100,000, along with flexible work permits issued for employment in agriculture and construction (*Ad-Dustour Newspaper*, 2018).

The Syrian refugee crisis has increased the pressure on available resources and services in Jordan. According to the Jordan Response Platform for the Syrian Crisis under the Ministry of Planning and International Cooperation (MOPIC), there is a substantial difference between the pledge and delivery of international monies. In 2017, the ministry stated that USD 2.65 billion were required to pacify the Syrian Crisis. Out of this only USD 1.7 billion were received, or 64.85% of what was promised (MOPIC, 2017). In 2018, USD 2.4 billion was required and USD 1.58 billion was donated, or 63.8% of what was promised (MOPIC, 2018).

The refugee crisis further complicated things in Jordan. Jordan is close to the Syrian border; consequently, due to the border skirmishes Jordan has been asked to open its borders for displaced people from conflicting areas. Other forms of pressure include confronting terrorism, especially the Islamic State in Iraq and Syria (ISIS). Therefore, pressures on Jordan was amplified because of its close proximity to the conflict, and complex political nature of the crisis and parties involved (*Ad-Dustour Newspaper*, 2018).

The Palestinian Issue

The Palestinian issue has recently witnessed rapid developments at the political level, including the decision to transfer the US Embassy to Jerusalem, which has also been referred to as the “Deal of the Century.” In both cases, Jordan took a clear stance, rejecting these policies and initiatives. Given the religious and historical importance of the city and Jordan’s guardianship over Jerusalem’s Muslim and Christian holy sites, Jordan has consistently maintained its position of establishing a Palestinian state on the 1967 borders with Jerusalem as its capital. However, Jordan rejected this “Deal of

the Century” because it did not guarantee the Palestinians’ rights.

King Abdullah II has frankly expressed on numerous occasions that there are tremendous pressures on Jordan because of its political stance, especially concerning Jerusalem. For example, the International Criminal Court’s referral of Jordan to the United Nations Security Council (UNSC) in the event of the latter not enforcing an arrest warrant against the Sudanese President Omar al-Bashir during his visit to Amman to participate in the 28th Arab Summit in 2017. He stressed the importance of cooperation with Europe and the Christian World to defend Jerusalem. When Jordan appealed to the courts’ decision, it ruled in May 2019 that Jordan did not meet its international legal obligations by not detaining Al-Bashir (Human Rights Watch, 2019). The courts’ decision coincided with Jordan’s refusal to accept the transfer of the US Embassy to Jerusalem earlier that year.

Considering the “Deal of the Century” and American gesture to exclude Jerusalem from a final solution, Jordan faced three concerns, summarized as follows. First, the “de facto” policy, which excludes the basis for a two-state solution, and focuses on the West Bank and Gaza Strip as separate entities. In this case, the Palestinian problem cannot be resolved politically and will remain a source of regional tension. Second, Jerusalem’s issue is linked to the US decision to move its embassy to Jerusalem. While it is not linked to the diplomatic issue or symbolic character of the city, a change in the identity of Jerusalem is feared. Further, Israel’s grip on the Holy City has been rapidly increasing after this decision. Third, there is the emergence of extreme right-wing parties in Israel in various political and cultural fields (Rumman, 2018).

External Regional Pressures

In the context of pressures and fears caused by regional and international conditions, Jordan witnessed a decline in foreign aid between 2015 and 2017. Aid received in 2015 was JD 886.2 million compared to JD 707.7 million in 2017 (Al-Anani, 2018). In 2017, the aid received was only 80% of that received in 2015.

Numerous articles and analyses exist on the decline of foreign aid to Jordan by both Arab and other countries. Due to the absence of any official statement, there are many questions and speculations about the relationship between Saudi Arabia and Jordan. The American writer, David Ignatius, pointed out in an article published in the *Washington Post*, 3February 8, 2018 that there is a Jordanian-Saudi dispute, caused by Jordan’s refusal to send troops to fight in Yemen, and Jordan’s objection to the siege of Qatar exemplified by the withdrawal of its ambassador from the region. In addition, Jordan has not launched a campaign against the Muslim Brotherhood like Egypt and the United Arab Emirates have. Saudi Arabia has also been unhappy with Jordan’s response to the movement of the American embassy to Jerusalem (Alyoum, 2018; Riedel, 2018). However, Jordan cannot afford to burn its bridges, as it has to maintain its responsibilities, especially those related to the Palestinian issue. Therefore, irrespective of the reports mentioning conflicts between Jordan and other nations, the former’s ability to deal with the pressure and maintain foreign relations is being upheld.

External pressures and challenges have affected the Jordanian economy and its standard of living. The bombing of the Egyptian gas pipeline has exacerbated Jordan’s energy problems. The continuous influx of refugees has also had a great impact on the Jordanian economy. The decline in the exchange reserves of the Central Bank also affected investors’ confidence in the country. The reserves are a “strong indicator of economic security and safety in the national economic activity” (Venture, 2018:no page #). The high food prices globally due to the Arab Spring also caused serious problems, as Jordan imports 98% of its consumable food items from overseas (Export.gov, 2018).

The 2018 Protests

Considering the above-mentioned internal and external reasons, Jordanians had no other option but to take to the streets and demand the Draft Tax Law’s withdrawal, which was viewed as pivotal in determining the economic situation of the state and its citizens. The government’s refusal to withdraw the Law lead to a demand to dismiss the government. Consequently, a case of identification emerged between street pressure and political leadership to bring about political changes after the protests that have been successful in some areas and need more work in other areas. This similar to what Dankwart Rustow stated in his model of political change, or what is also known as “the model of change by crisis.” According to this model, change emerges because of the dissatisfaction with an existing situation, and dissatisfaction comes

with a political movement that succeeds or fails to achieve its goals (Egyptian Institute for Political and Strategic Studies, 2016).

The uprising at the Fourth Circle was successful because it was organized and devoid of chaos. This was due to the remarkable presence of the civil society since the beginning of the crisis. There were discussions between the government and trade unions and inclusion of other economic trade associations that were supportive of the strike. Additionally, the political leadership's response to the demands of the protestors and establishment of achievable objectives in the new phase were characterized in the Royal Letter of Designation to the Prime Minister.

The letter focused on the following. First, it launched a comprehensive national awareness focusing on "quality services, fair taxation, an agile, efficient government team, and a social safety net that protects the vulnerable" (*Jordan Times*, 2018). Second, the foremost challenge was the economy and job creation, with a special emphasis on youth employment. Third, it launched a comprehensive national dialog with the participation of the House of Representatives, political parties, syndicates, and various civil society institutions regarding the Draft Income Tax Law. Fourth, regional pressures resulted from instability within the region, which included "the rise in energy costs caused by the disruption of gas supplies from Egypt, the sharp drop in exports as a result of border closures in neighboring countries dealing with security challenges, and the financial cost of security measures required to safeguard every inch of this homeland" (*Jordan Times*, 2018). Fifth, it paid attention to political reform, especially with regard to elections, parties, and decentralization laws, and provided necessary support and proper environment to facilitate the role of parties and ensure the successful experience of decentralization (*Jordan Times*, 2018).

One of the results that the protests were able to achieve was the Gulf subsidy, wherein the Mecca Summit provided Jordan with USD 2.5 billion of financial assistance in October 2018. USD 1.16 billion was in the form of a deposit to the Central Bank, USD 200 million was guaranteed to the World Bank, so that Jordan could obtain soft loans, USD 550 million in the form of soft financing for development projects, and USD 500 million in grants to support the budget over five years to complete development projects (*Jordan Times*, 2019). The summit was attended by Saudi Arabia, the UAE, and Kuwait. Additionally, in September 2018, Qatar announced a development aid package of a half-billion dollars for infrastructure, tourism, and energy projects, as well as 10,000 job opportunities for Jordanians in Qatar (*Jordan Times*, 2018).

These achievements highlight the protests' significance and the efforts taken to maintain Jordan's stability. This demonstrates the importance of Jordan's role in the Middle East, as well as the support of strong allies. These actions were also taken because of the pressure the region has been feeling over the US's decision of moving its embassy to Jerusalem. They demonstrate that no one is immune from external pressures affecting domestic politics.

Conclusion

Several research questions were set out at the beginning of this study to examine the protests that occurred in 2018. ***Were these protests like previous protests or were they different?*** Looking back over the last 50 years or more, numerous demonstrations have occurred revolving around many issues. These protests, like many before them, were concerned with the economic stability and quality of life within the country in the context of increasing government debt and high rates of unemployment, especially for the youth (those under 30). These were based on the reforms forced by neoliberals in the West. Consequently, these protests differed because of the cohesiveness of the civil society in organizing and leading the demonstrations with almost no violence.

Second, while both internal and external pressures influenced the protests, which was more influential? From the authors' perspective, the external pressures outweighed the internal pressures. These include the following: neoliberal policies; pressure exerted by neighboring countries, especially Syria, Saudi Arabia, and Israel; pressure exerted by the US and EU allies to maintain stability without keeping their end of the bargain (foreign aid); and conflicts within the region that impact Jordan, for example, the Syrian Civil War and the refugee crisis, the situation in Jerusalem, and the Trump administration's policies.

Third, were these protests due to the changing social contract in Jordan? Social contracts between citizens and their

government are fluid and dynamic. The way that the Draft Tax Law was written prior to the protests definitely changed the social contract in Jordan. This change was forced through without the sanction of citizens.

Fourth, did the protests achieve what they set out to accomplish? The protests were able to contain the current government of P.M. Mulki. They were able to force the government to look at possible revisions by enlisting their demands in the Royal Letter of Designation to the Prime Minister. While, these letters have been used to placate protesters against reform measures, only a few have actually been implemented. However, it is too early to judge whether these protests are like past endeavors.

Fifth, were these protests a form of reignited “Arab Spring”—as alleged by several authors—or something cyclical or the beginning of something new? It is probably too early to answer this question. However, similar protests have not occurred in other countries causing instability. This appears to be more of a cyclical situation, where Jordan, due to the lack of resources, was pressured by neoliberal policies to adopt several reforms that led to the 2018 protests.

The limitations of this study include that due to the COVID 19 it was difficult to access decision makers. Travel was also difficult for the same reason.

The authors recommend the following: First, throughout any negotiations concerning reforms in Jordan that the stakeholders of this process, the Jordanian people be included in the process. Secondly, over the years Jordan has been a safe haven for numerous waves of refugees. The international community has made many pledges but has not followed up with the actual funding amounts promised. In order to provide continuous stability in Jordan promises will have to be met, at a minimum.

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