



Bawader / Commentary, 6 July 2018

# Jordan's Week of Protests Signals Key Change in Power Balance

→ Jamal Altahat



Jordanians during a protest against the income tax law, Amman, Jordan - June 2018 © EPA



## Introduction

The recent wave of popular protests in Jordan represents a critical historical phase strongly influenced by a complex interplay between local, regional and international dynamics. Because of the intricate links between the three levels – and to avoid repetition of current misinterpretations of these dynamics – this paper focuses on the local context and the prominent role the Jordanian business community has played in the mobilization that led to the overthrow of Hani Mulki’s government on 4 June 2018.

On 30 May 2018, protests coalesced in response to a Jordanian government’s announcement of a number of economic adjustment measures responding to local, regional and international circumstances. The protests gained strength after the Jordanian public responded positively to calls by the Union’s Council for a partial strike. The public response overwhelmingly rejected the government’s economic adjustment policies – which answered to international and regional demands – rather than rejecting the demands themselves. Despite the protest incidents, there were no indications of any formal changes in Jordan’s relationships regionally and internationally. In response, both leading public voices and the royal family made commitments to search for new solutions to adapt to regional and international contexts. Statements and announcements by some politicians, to the effect that the incident would change Jordan’s regional and international alliances, proved to be largely aspirational.

## Calls for a non-ideological reading

Despite recognition of Jordan’s limitations, some ideological voices have pushed forward beliefs that see policy options as first being built in a vacuum and then applied to the reality in Jordan. These voices were quick to call for national decision-making derived from their ideological conceptualizations of regional and international contexts. One of the most outstanding of these conceptualizations was known as “the deal of the century” – a strawman argument that justified the



## Arab Reform Initiative

ideologically loaded political discourses.

Conservative voices<sup>1</sup> supported the state bureaucracy and demanded acceptance of the government's decision-making in response to the "deal of the century". This stance was expressed by the Minister of Finance of the deposed Omar Milhes government, who threatened that in case the government's plan was not accepted there would be no salaries at the end of June.

Other prominent voices that had no clear structure, organizational weight or affiliation also appeared. One such figure is former member of parliament Laith Shubeilat. These voices called for change in regional and international alliances in protest at the Mulki government's positive response to regional and international contexts. They demanded rapprochement with Syria, Iran, Turkey, Russia, and China. It does seem that there was a level of agreement and organization between the Mulki government – aiming to pass its policies under a pretext of fears surrounding the "deal of the century" – and the voices calling for change in Jordan's regional and international alliances.

However, both parties ignored the opportunities provided by the protests which could allow for a review of political approaches and courses of action at the local level. Overall though, the government's compliance with the International Monetary Fund's (IMF) economic corrective programmes – with its social and political implications – was not accepted by the majority of the population. Yet, reorganizing Jordan's regional and international coalitions was not amongst the protesters' demands. Rather, mobilizations of the Jordanian street were concerned with the government forming more rational and less corrupt responses to local and regional contexts. Consequently, slogans and chants during protests expressed clear demands – mostly economic – as represented by the slogan "Maanash" (we don't have) campaign. While some slogans were political and reiterated democratic demands, there was still a focus on corruption – considering it a plague that has cleared for the state to meet citizens' economic needs.

## The tax law: exposing the changing



## power relations

The key catalyst came in the form of a new income tax law proposed by the Mulki government in early 2018. The details and implications of the law symbolized the political, economic, and social transformations that Jordanian state and society are currently experiencing. Protesting voices began in March 2018 on traditional platforms such as organized dialogue between the business community and executive authorities. One of the most prominent voices came from within the Chamber of Commerce, which proposed a new approach to the income tax law, as businessmen began to privately protest the new taxes. Such protestations began to filter through in television programmes and interviews such as those on Roya TV station, owned by prominent Jordanian businessman Michele al-Saigh and managed by one of his sons. Then Prime Minister Hani Mulki, responded to these voices by defending his economic policies and the tax law.

The seemingly intentional but content-less responses of the government – broadcast on state media platforms – intensified the anxiety of the business community. False news mentioned that the tax law in its proposed form was a requirement of the IMF, which the IMF hurried to deny. Others claimed the law came by royal decree, or that the tax law does not represent any extra burden on the middle class, which is contrary to existing financial and economic analysis. Moreover, the government hinted that it would reward businessmen if they accepted the new tax law by exempting them from taxes due from previous years. Many considered this a bribe included in the detail of the law, which exempts all those who did not present correct tax returns for previous years.

This confirmed that the government had approached the tax law from the perspective of an accountant without taking into consideration economic, social, and political repercussions. It is worth remembering that Jordanian history is coloured by stories of repressive Ottoman taxation at the beginning of the twentieth century. Particularly notable were the unilateral estimations by the Palace tax collectors of the amount of taxes to be taken from farmers and tradesmen in the decades leading to World War I. One of the first rewards for the newly formed Jordan after rebellion against the Ottoman empire was easing the tax burden. Similarly, the laxation law on persons and livestock sparked the first



## Arab Reform Initiative

revolution in Jordan's modern history against King Abdullah I in 1924.

The most controversial part of the tax law does not lie in tax rates as much as in the way they are calculated and collected. The powers granted to the tax service have revived collective memories of Ottoman tax collectors and how they treated the public. Additionally, Ottoman forces were always ready to discipline any town that refused to pay the set taxes. The Mulki government used the argument of ending tax evasion – a chronic issue in Jordan – to grant the tax service exceptional powers, making businessmen easy prey without any provisions that would protect them from the corruption already prevalent in the tax service. Tax evasion in Jordan is largely built on two conditions, the first being corruption within the tax service, and the second being corrupt businessmen. Without an already-corrupt tax service, tax evasion would be more difficult. It seems, though, that the new law grants legal cover for the corrupted system and could possibly exacerbate it.

This was one of the most provocative aspects for businessmen and brought the issue of corruption to the forefront. One businessman explicitly referred to the competencies of the tax department chief in estimating the tax burden on taxed individuals by saying: “From now on we will work to supply the corruption of the tax service and other state organs. A corrupt businessman pays to the corrupt tax collector so that his tax payment would be reduced. But starting from today, we will be paying corrupt tax collectors so that no unfounded taxes would be imposed on us.”

Despite frequent dialogues with the business community, the Mulki government dogmatically defended the new law but without any reasonable argument, which the business community considered insulting. Furthermore, it was clear that the government was treating protestations by the business community with the same contempt it would treat protests by the public. This pushed one businessman to publicly say: “We could tolerate corruption, but to couple this with lies is unbearable.” He also announced that he would terminate his businesses in Jordan and start looking for another country for his investments, noting that Turkey has begun to attract Jordanian businessmen and that Jordanian law allows



businessmen to move their businesses to another country. Some businessmen have developed fears that the government may cancel this provision.

Such fears can be traced back to legislative chaos and an absence of controls to protect citizens and investors from legislative instability, because Jordanian parliament is a very fragile institution. The Parliament is often referred to in social media as “the sleepers’ council” after photos of several members of parliament sleeping during formal sessions were widely distributed. In such instability the business community cannot rely on state institutions to provide guarantees for its legislations, counterbalance executive authority, and protect investors from the corruption of executive bodies. In addition, parliament has also adopted the logic of executive authority, stripping it of trust and credibility. The speaker of parliament once directed a speech to an individual citizen, trying to silence him, using a phrase that represented the state’s self-perceived superiority, saying: “That is none of your business, you citizen!”<sup>2</sup> News of this statement significantly damaged the credibility of the parliament and the government and reduced the business community’s trust in them. As the ruling elite, Jordanian governments have always been known as voices of reason, especially given that they have always been some of the most highly educated individuals among the Jordanian public. Yet recently they have lost such respect, and the parliament no longer provides an adequate buffer to protect the society from the government’s excesses.

The business community reached the decision that it needed to find ways to protect its interests in order to avoid paying more tax and finance the corruption of executive bodies. This has been a response to the government’s predation and provocative discourse, as well as the fragility of the parliament and the absence of the King in the dialogue between the business community and the government regarding the tax law.

## The king’s long-awaited intervention

The business community’s decision – represented largely by the Chamber of Commerce and other syndicates – to support protests and grassroots actions



## Arab Reform Initiative

marked a turning point in Jordanian history. This was change on the level of the first economic corrective programme in 1989 by the Zaid al-Rifai government, which approved lowering the value of the Jordanian Dinar and substituted an outdated form of state-regime relationship with one of society's major components, namely Jordan's rural populations. The 1989 Maan events also highlighted the necessity of reorganizing the relationship between the regime and its popular base through a new political process that began with the removal of the al-Rifai government and parliamentary elections to establish a national governing pact.

What happened in the last week of May and the first week of June 2018 is of no less value and importance than the 1989 events as it marks the end of the long-standing relationship between the state and private enterprise, with the latter pushing for a re-negotiation of the relationship.

The socio-political organizations closest to the business community – trade unions – emerged as the frontline in combatting the tax law. Two weeks of escalation by trade unions were met by government intransigence, and there was clear need for a new relationship between the Jordanian government and the business community. Due to the lack of an effective platform for political dialogue, it was necessary for the business community to access popular support through trade unions. King Abdullah II seemed to anticipate this and did not wish to be stuck in a deadlock between the government and the business community, as direct dialogue with businessmen would carry negative implications and spread rumors.

The reason behind the King's decision to refrain from joining the dialogue between the Mulki government and the business community could be the lack of clarity in the channels of dialogue between them. It would also have been highly risky to attempt to unknot the complex webs of engagement between the government and other social blocs. The government has become a toy at the hand of a corrupt bureaucracy because of the lack of a well-defined social context for its chief, and its superficial and unconvincing political perspectives. And as a result, the King has run out of opportunities to intervene. In order to address the government's performance, the King resorted to meeting with university students in early 2018,<sup>3</sup> urging them to practice pressure from beneath so he could counter it with pressure from above.



## Arab Reform Initiative

Additionally, the business community's ability to force the King to interfere is weak, as he does not have a clear political role. Added to that is the fact that there is significant distrust toward politically active businessmen and politicians close to the business community, with conservative bases in regional and rural areas viewing the political role of businessmen with suspicion.

As a result, popular mobilization became one of the few choices left for the business community, particularly as the government, in the midst of deadlock, made controversial decisions such as increasing fuel prices, for instance. This expanded the sectors of society opposing the government's economic policies, and turned the mobilization into a platform for political contestation. It was at this point that the King intervened by overruling the government's decision to increase fuel prices and presenting it with the option to resign after meeting with Mulki. These procedures, however, did not end the crisis. Popular protests were still ongoing and British writer David Hearst questioned whether the Arab Spring could still be alive in Jordan.<sup>4</sup> Subsequently, Education Minister Dr Omar al-Razzaz, an US-educated economic expert who worked at the World Bank, and as a chair of the board of trustees at the Jordan Ahli Bank before joining the Mulki government, and has close ties to the business community, was asked to form a new government.

## The new options of 6 June

Amid the vigorous dialogues emerging from public protests, the chairman of the upper house, and former prime minister (Name missing) – who belongs to the conservative political mainstream – stated that “citizens have the right to picket and protest”. This validated the street protests, enabling them to become a more legitimate common platform between the business community with its urban base, and the government.

Street protests and slogans began to diversify, with increasingly complex demands. The King stuck to his cautious position, and his mandate for a new government came with a call for dialogue. This implied he understood the



## Arab Reform Initiative

messages to the effect that the old relationships between the state and the business community are over and that new ones must be forged. Many actors and groups have been seeking to take a role in this negotiation and political and social players rushed to express themselves on the night of 6 June 2018. Initial signs of a new era in Jordan show that this may be based on the transformation of the business community from an attached to the regime and government, to an individual component capable of imposing its presence in the political arena. It appears that the success of the business community in winning the King to its side may marginalize the conservative political mainstream in the future state.

To prevent such changes, the conservative mainstream came out in force on the night of 6 June at Fourth Circle, as well as in other governorates, conveying a clear message that any re-adjustment of the political role and weight of the business community and its urban social base must take into consideration the presence and role of conservative forces. Some tribes also joined the 6 June picket bearing tribal slogans and trying to access the picketing area in a threatening manner.

Many signs indicate that the King, whose discourse has been imbedded with references to the regional and international context of the current economic and political crisis in Jordan, insists on exploiting this opportunity to “refurnish” the sociopolitical home. There is a certain novel approach that the King has adopted, including perhaps, restructuring the relationships among the different social components and their bases, although only on the local level, so as to remain the gatekeeper of relationships with the region and the world.

Questions remain over whether it will be possible to involve the business community and the urban social base in such new power equations without provoking traditional conservative components over their lost share in power hierarchies. This will be difficult and requires surgically precise measures to restructure the conservative political mainstream before it can fit into such a new equation. This mainstream – which has monopolized certain power positions for decades – can no longer retain its exclusive privileges and must accept the new rules of political action and forfeit some benefits while taking on others. Adapting to the new circumstances implies getting rid of some of its elements that prevents it from developing its competencies.



Other questions revolve around whether the process of renewing power relations and resource distribution – by introducing the business community – can be done smoothly and securely. The reality is that the traditional mainstream will have to pay for the policies of the Mulki government, yet it is unknown which of the components of mainstream power will be sacrificed. One possibility is that the political component is dropped, as it had often followed and executed instructions and decisions without the cabinet having the chance to discuss them – as confessed by the minister of finance of the Mulki government, Omar Milhes.<sup>5</sup> Another possibility is that the tribal components – like those that emerged on the night of 6 June on the Abdoun Bridge – are sacrificed. Sacrificing the latter mainstream is ready to develop and progress.

Once dialogue begins, the power distribution process will become clearer. But previous dialogue experience in Jordan proves that involvement in the negotiation table is not a guarantee for retaining a share in the final outcome, as the whole process relies ultimately on royal will. Participating in this dialogue will thus continue to be dependent on the King's satisfaction and approval of the content and implementation mechanisms.

What risks making the King's dialogue a farce is that the entire political spectrum is repositioning themselves in relation to political and economic reform as presented by liberal components comprised of a few ministers and figures close to the King. The key figure and symbol of this component is former minister Bassem Awadallah. The rest of the political spectrum has mastered the role of opposition and none have alternative policy programmes. As a result, the dialogue will largely be a process between the political mainstream – that already has identifiable programmes – and opposing political and social blocs. The ability of mainstream actors to present novel and alternative programmes is what will make the next round of dialogue more than just a bargain over the power monopoly of the conservative mainstream.

<https://www.youtube.com/watch?v=7z9YFtiLQwQ>

<http://sawaleif.com/?p=299899>



<https://www.khaberni.com/news/222647>



## Endnotes

1. The conventional, conservative component includes a coalition between Bedouin clans (which have risen economically but have remained tribal politically) and a rural-based bloc that has risen to power through state institutions, as well as members of political dynasties and aristocracy such as Prime Minister Hani Mulki. Some of the most prominent figures of this component are long-lived members of parliament such as Abdulkarim al-Doghmi, as well as the Speaker of the Parliament and the Chairman of the Upper House. The common denominator among this component is the rise of its figures through hierarchies of power with the King's consent or through mock elections. A joke currently circulating says: "They asked a former prime minister 'What do you think about the elections of Miss Jordan?' He replied, 'It would have been better if she had been just appointed'."
2. This incident was publicized in Jordan via social media, links below:
3. Meeting between King Abdullah II and a number of university students, 31 January, 2018:
4. <https://goo.gl/ESMeu6>
5. <https://goo.gl/LfNw6e>



# Arab Reform Initiative

## About the author

### Jamal Altahat

Senior fellow in the Institute for Statecraft, London.

## About Arab Reform Initiative

The Arab Reform Initiative is the leading independent Arab think tank working with expert partners in the Middle East and North Africa and beyond to articulate a home-grown agenda for democratic change. It conducts research and policy analysis and provides a platform for inspirational voices based on the principles of diversity, impartiality and social justice.

- We produce original research informed by local experiences and partner with institutions to achieve impact across the Arab world and globally
- We empower individuals and institutions to develop their own concept of policy solutions
- We mobilize stakeholders to build coalitions for positive change

Our aim is to see vibrant democratic societies emerge and grow in the region.

Founded in 2005, the Arab Reform Initiative is governed by a Plenary of its members and an Executive Committee.

[arab-reform.net](http://arab-reform.net)

[contact@arab-reform.net](mailto:contact@arab-reform.net)



© 2018 by the Arab Reform Initiative.  
To view a copy of this licence, [click here](#)