

## Arab Reform Bulletin: July 2008



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### Editor's note:

In this issue, we present two views of Yemen's stability. Jeremy Sharp focuses on security and foreign relations as making the critical difference, while Intissar Fakir argues that economic development and institution building are key. Will Yemen slide toward disaster or muddle along with a little help from its friends? We are eager to know what you think.

--Michele Dunne

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Insights and Analysis

Yemen: Where is the Stability Tipping Point?

***Jeremy M. Sharp***

It often takes a crisis to rivet our collective attention on problems such as those facing Yemen, a society that seems to be perpetually on the verge of collapse. While it is difficult to tease apart fact

and fiction when dealing with Arabia Felix, Yemen has real problems that need attention from key international players, especially the United States and Saudi Arabia.

Over the past six months, the tone in international media coverage of Yemen has become increasingly apocalyptic. On the security front, the resurgence of al-Qaeda in Yemen has been well documented via a spate of brazen attacks, leading security experts to warn that the new generation of Yemeni militants will be more lethal than its predecessors. The failed state narrative, in which Yemen devolves into something resembling Somalia or Afghanistan, has also spread. Yemeni ministers, foreign aid workers, and journalists routinely predict an imminent demise, as food prices skyrocket, drought hurts harvests, the long-running al-Houthi rebellion in the north drags on, and riots erupt in the south over unresolved grievances stemming from the 1990 reunification of the country.

At the same time scholars (as opposed to journalists and other visitors) reflexively repudiate the idea that Yemen is on the brink of disaster, asserting that President Ali Abdullah Saleh operates in an environment of controlled chaos. Instability, critics allege, is manufactured to garner international sympathy - and external financing.

The old formula for power that made the controlled chaos scenario viable, however, may be changing. The December 2007 death of Sheikh Abdallah Hussein al-Ahmar, a key power-broker and interlocutor between Saleh and the tribal wing of the opposition Islah party, leaves a political void that Yemeni Salafis may attempt to fill. The 2009 parliamentary elections will be a key test in this regard. Presidential succession also clouds Yemen's future. Saleh's term ends in 2013, and the line of possible successors is growing, particularly from within his own extended family. Among the leading contenders are his son Ahmed and Saleh's half-brother, Brigadier General Ali Mohsen al-Ahmar, the Commander of the Northwestern Military Flank and an alleged Salafi sympathizer.

Civil society activists and international observers point to signs that the twin pressures of insecurity and economic stagnation have overwhelmed the authorities and led to curtailment of political freedoms. In June, a state security court sentenced noted independent journalist Abdulkarim al-Khaiwani to six years in prison on a charge of collaborating with al-Houthi insurgents. Observers believe that the regime targeted al-Khaiwani for his investigative reporting on the revolt. While in prison, he received an award from Amnesty International for his work.

Yemen's systemic challenges certainly are real and must be taken seriously. Oil production is dropping rapidly and, despite the government's insistence that new fields will be discovered, many promising areas already have been explored. Yemen also has one of the greatest water shortages worldwide. To keep pace with population growth, Yemen requires a massive infusion of cash and energy to finance and fuel several costly desalination plants.

And yet, something more than mere alarmism about Yemen's predicament is needed. Unfortunately, the key international players—the United States, Saudi Arabia, and other Gulf Cooperation Council (GCC) countries—have been unable to formulate a collective long term strategy to save Yemen from itself. There seems to be no real consensus among the outside powers about whether Yemen faces a heightened risk of instability now and what the consequences of such instability would be.

An ongoing misunderstanding between Yemen and the United States about counter terrorism efforts is a major problem. For nearly a year, U.S. relations with Yemen have been deadlocked over the fate of Jamal al-Badawi, a ringleader in the 2000 USS Cole bombing who was released from prison after swearing allegiance to Saleh and pledging to cooperate against al-Qaeda. Critics charge that the government is protecting Badawi, among others, despite repeated U.S. demands for his extradition. Yemen refuses to cave in to U.S. pressure, citing a constitutional ban (Article 44) on extraditing Yemeni citizens to foreign entities, while insisting that the nearly one hundred Yemeni prisoners detained in Guantanamo Bay, Cuba be returned to Yemen for “reintegration.” U.S. policymakers not only resent Yemen’s obstinacy, but feel a visceral sense of injustice knowing that operatives such as Badawi remain at large. For his part, in a June 2008 *New York Times* interview, the Yemeni president called the United States “arrogant” for demanding that he sever ties with known al-Qaeda supporters.

The Badawi stalemate, coupled with growing U.S. concern about security and political conditions in Yemen, has gone well beyond a war of words to put the entire bilateral relationship into the deep freeze. The Millennium Challenge Corporation’s \$20.6 million threshold program—which was to help Yemen meet standards required for a much larger package of economic development assistance—is suspended. Rocket attacks in spring 2008 on or near compounds where U.S. officials lived the U.S. Embassy in Sana’a to evacuate all non-essential personnel. And after al-Khaiwani was sentenced, the U.S. Department of State publicly rebuked the regime, stating that his imprisonment “points to a distressing trend in Yemen of intimidation and prosecution.” For the United States, it continues to be difficult to craft an overall policy approach toward Yemen that disaggregates security issues from humanitarian and democratization concerns.

When it comes to Saudi Arabia and the GCC, Yemeni officials use the specter of Iranian meddling in the al-Houthi conflict to seek support from their Saudi neighbors, who are alarmed by a Shi’i insurgency on their borders. Although the Saudis have increased both their political and financial support for Yemen in recent years, the rest of the GCC has not been as forthcoming, feeling no real sense of urgency to accelerate Yemen’s bid for GCC membership. Furthermore, it is doubtful that the conditionality attached to Saudi and GCC money will mirror U.S. and Western reform priorities.

The tipping point for Yemeni stability may be approaching, although it also is quite possible that in the years ahead Yemen will muddle through as a ward of Saudi Arabia and the GCC. Either way, who is paying attention? Until its problems spread, a sustainable policy toward Yemen will continue to be caught between crisis and complacency.

*Jeremy M. Sharp is a specialist in Middle Eastern Affairs at the Congressional Research Service. The views expressed are the author's and not necessarily those of the Congressional Research Service.*

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## **Yemen: Economic and Regional Challenges**

***Intissar Fakir***

As troubling as security issues are in Yemen, they are by no means the only threats to stability. Problems in the economy, institution building, and regional disputes might not grab headlines the

way that terrorism and other security challenges do, but they are just as important. Inadequate economic development and a concomitant decline in living standards are causing civil unrest, fueling regional rebellion, and slowly dragging the country toward collapse. Ineffective government reform initiatives have so far failed to address urgent internal problems—including diminishing natural resources, endemic poverty, illiteracy, high fertility rates, and an inadequately trained workforce—and are eroding the confidence of Yemenis as well as outsiders in the country's future.

Since his re-election in 2006, President Ali Abdullah Saleh's promises of reform remain largely unfulfilled. The National Reform Agenda, drafted by the Ministry of Planning and International Cooperation in October 2006, was a comprehensive plan to reduce corruption, enhance transparency, pursue judicial reform and separation of powers, and allow freedom of the press. Nearly two years later, only small parts of the agenda are in place. The most noteworthy outcome was the creation of the Supreme National Anti-corruption Commission, headed by former Minister of Telecommunication Ahmed al-Anesi, in June of 2007. While the initiative earned praise from the international community, implementation has been thwarted. Since its inception, the commission has received more than one hundred forty corruption claims, seventy-eight of them between January and March 2008 alone. So far, only six of those claims have been investigated, uncovering over \$ 100 million lost to corruption. These numbers reveal both the scope of corruption and the commission's lack of capacity to undertake the task. Even when it does initiate investigations, all the commission can do is turn the cases over to a judiciary that lacks the political resolve to prosecute fully.

Another reform that looked promising at first involved decentralizing authority. On May 18, 2008, local elections took place for Yemen's twenty-one provincial governors, who were previously appointed by the president. Opposition parties boycotted the elections, however, contesting an election law that restricted voting for governors to members of the municipal council. As the municipal councils are dominated by government's supporters, opposition parties correctly predicted that election results would be skewed in favor of regime loyalists

Such attempts at reform suggest that while the Yemeni government and elites can successfully identify issues and potential solutions, implementation generally falls short. Yemen's national institutions are weak, and most Yemenis are loyal to familial or tribal hierarchies rather than the state. Yemen also relies a great deal on foreign assistance, and contrary to established wisdom, satisfying the requirements of foreign donors has not always helped strengthen national institutions. Often, government development planning aims at the short-term goal of securing foreign funds rather than long-term strategic goals.

Yemen's stagnant economy offers a troubling prospect, particularly in light of the decline in its main revenue earners, oil and agriculture. Oil production—which accounts for 70 percent of government revenue—is diminishing, while agriculture—which employs more than half the work force—faces widespread water scarcity and soil depletion due to extensive cultivation of the narcotic qat. International lending and development agencies encourage diversification and liberalization of the Yemeni economy to attract foreign investment. In response, the government is attempting to empower and enlarge its private sector. But these attempts are hampered by rampant corruption and the virtual monopoly of the private sector by a small number of families.

As a result, 45 percent of Yemen's rural population lives below the poverty line. Unemployment was officially 35 percent in 2003, the last year for which such statistics are available. Recent global

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increases in petroleum and basic commodity prices are exacerbating the already high inflation rate of nearly 12.5 percent and further diminishing the low standard of living.

In addition to the overall economic problems, southern Yemen suffers from special difficulties due to land disputes that lead to higher unemployment, greater poverty, and civil unrest. The government has consistently failed to resolve such disputes, which have festered since the 1990 unification of North and South Yemen. In May 2008, riots broke out in southern Yemen because of a sense among southerners that they are not participating sufficiently in the economy or the decision making process—in short, they do not feel integrated into Yemen. Other regional tensions—including the al-Houthi rebellion in the north that has been ongoing since 2004—further threaten the country's unity.

If trends continue, Yemen is likely to slip into complete chaos and become a failed state similar to Somalia. Yemenis and others increasingly view the government—which promises much but delivers little—as incompetent. While by no means adequate to address all Yemen's many challenges, there are a few important moves the government could make on the economic front that would help the liberalization efforts to which it says it is committed. The government could start by lowering barriers to entering business, increasing transparency, and reforming the tax system. This would both encourage investors and combat corruption from the demand side; a simplified and transparent tax and administrative system also reduces opportunities for corruption. Such steps could not only stimulate the economy but also help rebuild confidence in the government.

*Intissar Fakir is assistant editor of the Arab Reform Bulletin and was previously program coordinator for the Middle East and North Africa program at the Center for International Private Enterprise.*

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## **Mediterranean Summit: Between French Hopes and Arab Realities**

***Bassam Bounenni***

In organizing a founding summit of the Union for the Mediterranean to be held July 13, French President Nicolas Sarkozy perhaps had not initially expected that he would have to invite nearly forty heads of state. Originally, the union had been limited to countries bordering the Mediterranean Sea. In the end Sarkozy has invited Morocco, Tunisia, Algeria, Egypt, Libya, Syria, Lebanon, Palestine, Jordan, Turkey, Mauritania, and the Arab League—in addition to all twenty-seven EU member states.

President Sarkozy has faced a plethora of obstacles, causing the project to shift in focus. Germany did not accept restricting union membership to countries on the Mediterranean, worrying that the new body would undermine EU unity and identity. The newer EU member states stood with Germany on this point, fearing that large sums of assistance would be redirected south of the Mediterranean within a joint Euro-Mediterranean framework.

For their part, Arab countries have predictably taken positions that reflect the tensions among them, although in the end it seems that most Arab heads of state—with the exception of Libyan leader Muammar al-Qaddafi and Jordanian King Abdullah II (who will be in the United States)—will

participate. Still, the Arab countries are divided into two camps. One group, led by Morocco and Tunisia, is optimistically looking forward to the economic and political benefits resulting from such a union. Syria is also enthusiastic, seeing it as an avenue out of its international isolation.

Algeria and Libya, on the other hand, view this initiative with suspicion. The richest of the southern Mediterranean countries in natural resources, they have expressed concern that the southern Mediterranean countries would replace Europe as the destination of choice for thousands of illegal immigrants from sub-Saharan Africa. In addition, Algeria objects to Israel's participation, an uncomfortable issue for several Arab countries. But it seems that Sarkozy overcame President Bouteflika's initial reservations and persuaded him to come.

Reacting in stronger terms, Libyan leader Muammar al-Qaddafi called the French president's project—which Tripoli sees as a blow to Arab League and African Union unity—"an insult." By contrast with their conciliatory attitude toward Algeria, French authorities announced they would not try to persuade Qaddafi to change his position. It is unclear whether Libyan Foreign Minister Shalgam will participate.

Morocco, Tunisia, and Egypt announced their support for the union despite a likely struggle among them for influence in the new body. For example, Cairo only accepted Sarkozy's invitation to participate in the union's founding summit once it had secured from him a promise to grant it the presidency, which is to be shared by one state each from the north and the south. Even with this guarantee in hand, there were initial reports that President Hosni Mubarak would boycott the summit to avoid meeting his Syrian counterpart, but apparently he will go after all.

Sarkozy surprised many by inviting Syrian President Bashar al-Assad to attend the union's founding session. But relations between the two countries are warming after several years of hostility due to the situation in Lebanon. The invitation was a boon to Damascus, which is seeking to break out of its regional and international isolation, but it infuriated the anti-Syrian March 14th coalition and its supporters within Lebanon. Nonetheless, French sources announced that both Lebanese President Michel Suleiman and al-Assad will be there, and that the French president will meet with them on the eve of the summit. Israeli Prime Minister Ehud Olmert and Palestinian President Mahmoud Abbas will also reportedly meet in Paris.

And so it seems that France may secure a diplomatic victory by getting most of the invited Arab leaders to attend the founding summit. But questions persist about whether the new Union will lead to significant progress in economic, security, and cultural relations among the member states or will end up being simply a public relations move by Sarkozy. The European agenda for the summit reportedly includes plans for improved Mediterranean port facilities, sea routes, and environmental work, as well as construction of a road linking North African states. But the legal framework for cooperation in all fields between the EU and the Mediterranean countries has existed for more than a decade, and so the question remains: is there a need for the Union for the Mediterranean?

*Bassam Bounenni is a Tunisian journalist living in Doha. Paul Wulfsberg translated this article from Arabic.*

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## **Palestine: Hizb al-Tahrir Flourishes where Hope Withers**

### ***Omran Rishq***

The failure of the Palestinian national movement and its shaken credibility in the public eye are giving strength to religious movements, which are expanding to fill a widening gap. But the movements that are gaining are not Hamas or Islamic Jihad, which gained their legitimacy more or less as other Palestinian movements did: by taking part in the liberation struggle while upholding the aspiration to establish an independent national state. Rather, there are now other Islamist parties and groups that deny the national project and are hostile toward democratic and social freedoms.

Perhaps the most influential of these movements, and the one with the clearest political platform, is the *Hizb al-Tahrir al-Islami* (the Islamic Liberation Party), which was founded in Jerusalem in 1953 by the Islamic judge Taqi al-Din al-Nabhani. Hizb al-Tahrir made the idea of resurrecting the caliphate a permanent watchword of its political activity and a religious duty, in addition to being a panacea for the political, economic, and social problems of the world's Muslims. According to its beliefs, the caliphate will not be founded through popular revolution, but rather through a military coup in a Muslim country. The caliph will then proceed to conquer the world, including liberating Palestine from the Jews. It is worth noting that this theory largely replicates the Marxist-Leninist vision of revolution as led by a vanguard adopting its ideas as a way to take power.

As with other Salafi movements, Hizb al-Tahrir sees a return to fundamentals and “righteous ancestors” as the way to overcome the bitter present and build a prosperous future. Various branches of the Muslim Brotherhood have in one way or another absorbed such modern ideas as democracy and human rights, which could no longer be ignored after Brothers became active in civil society, professional organizations, and universities as well as entering into the political arena in elections and parliaments. Hizb al-Tahrir, however, openly rejects these concepts, describing them as undisguised apostasy and a Western conspiracy to tighten control over Muslims.

Until recently, Hizb al-Tahrir had not earned Palestinians' trust. It is a party of rhetoric, whose political activity has been limited to giving sermons and issuing calls to resurrect the caliphate while other Palestinian factions were making sacrifices to end the occupation. But now—with the Palestinian national movement having exhausted the options of negotiation and of resistance with making significant accomplishments on the ground and with a new balance of power favoring Israel, which is uninterested in peace-- it has become possible for Hizb al-Tahrir to claim that its approach was right.

The party's progress over the past two years clearly indicates its burgeoning influence. Benefiting from the faltering of Hamas's experiment in power, in August 2007 Hizb al-Tahrir gathered some 10,000 supporters in a festival in Ramallah commemorating the fall of the caliphate. Hizb al-Tahrir has also been helped by Palestinians' dwindling hopes over negotiations, and held angry marches in most Palestinian cities in November 2007 under the slogan “Palestine Will be Freed by the March of Armies, not the March of Negotiations,” protesting against the Annapolis peace conference.

Hizb al-Tahrir's base also has become more socially diverse. Once restricted to the traditional merchant class largely originating from Hebron (the most conservative Palestinian area) or those who had migrated to Jerusalem in search of new markets, the party has begun asserting itself among

other classes. Now one can see thousands of the poor and farmers, many of them young, bringing along their wives wearing the head coverings or face veils and their children in segregated buses going to party rallies, where wealthy patrons cover the cost of food, drink, and transportation.

Although Hizb al-Tahrir takes a non-confrontational stance towards Israel (and to a lesser degree towards local society, particularly the more vulnerable groups such as women), one cannot ignore the fact that its popularity reflects anger and frustration that might one day explode into violence. Hizb al-Tahrir shares with extremist Islamist organizations the same hard-line points of reference derived from the writings of Abu al-A'la al-Mawdudi (as interpreted by the Egyptian Islamist Sayyid Qutb), which divide the world into a “House of Islam” and a “House of Apostasy” —war being the only language of dialogue between them.

Unfortunately, the Palestinian cause would be the first victim of this explosion, which explains why Israel turns a blind eye to Hizb al-Tahrir’s activities. In addition to its disavowal of the principle of a Palestinian state, Hizb al-Tahrir’s rhetoric, if it prevailed over that of the nationalist movement, would recast the Palestinian cause as a religious conflict. Furthermore, the party’s growing popularity is a grave danger to the progressive ideas and structures that Palestinians have worked hard to consolidate, as well as to decades of effort to convince the international community of the legitimacy of the Palestinian cause.

Hizb al-Tahrir offers a straw to a drowning man. But the disasters through which Palestinians have passed require a new sense of seriousness from them, before the occupation and desperate Palestinians themselves uproot what remains of the dream of independence and democracy.

*Omran Risheq is a Palestinian writer and analyst. This article was translated from Arabic by Paul Wulfsberg.*

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## **Iraq: The Private Sector's Take on the Investment Law**

***Mona Turki Musa***

Arab countries have witnessed important economic changes and most have begun serious work on providing an attractive investment climate as a means to comprehensive economic development. In Iraq, the parliament approved a new investment law in October 2006, which was published in the *Official Gazette of Iraq* in January 2007. The law aims to facilitate investment by Iraqi and foreign private investors, for example by protecting their rights and property. The law, however, has not yet been enacted, nor has the investment commission been selected. Consequently, one must wonder whether the law is mere ink on paper, despite the urgency with which it was passed. Moreover, there was no substantial discussion of the law in the private sector, which was marginalized.

With this in mind, the Center for Market Research and Consumer Protection, in cooperation with other private sector organizations, conducted a sample of economic organizations and business associations in Iraq from June through September of 2007 to get a detailed picture of the private sector’s views on the law. The study sample included the presidents, vice-presidents, and board members of forty economic organizations and business associations encompassing all of Iraq. The

goal was to uncover concerns about the law and to pass them on to executive authorities before it is enacted.

More than three quarters of the business people surveyed supported the law and considered it implementable in its current form. They thought it would be better, however, with some revisions. Among the most important suggestions was to increase the number of private sector representatives in the National Commission for Investment, as well as the regional and provincial commissions, so it would equal, or be larger than, that of public sector representatives. Business people are concerned that the commissions, whether at the national or lower levels, will fall under political influence. In fact, it is believed that one of the reasons for the failure to enact the law so far is that it includes the unpopular sectarian quota system.

Other suggestions for improvement include clarifying and strengthening the respective roles of national, regional, and provincial commissions. In addition, respondents believed that the National Commission must formulate its investment strategies by means of a scientific program that includes providing a vision, formulating goals, and preparing yearly plans. These strategies should be subject to periodic evaluation, a process that can begin once the mechanisms of the Commission, as well as its relationship to investors and investment projects, are clearly defined,

It is the nature of capital to favor markets in which a single, clear, comprehensive law is applied regarding investment, and where a single authority is responsible for this law. Therefore, stability, clear principles and rules that govern investment operations, and modernizing laws to simplify regulations are considered the main means for providing a suitable investment climate. When there is no comprehensive investment law, and rules governing investment are spread across multiple laws, the result is confusion. A law should stipulate the limits of a foreign investor's involvement in order to prevent foreign investors from controlling and monopolizing the market, as well as accord investors protection from exploitation and corruption. In order to attract the greatest possible number of investors, the period of tax exemption provided to new investments should be lengthened.

Proper application of the current law will also depend upon a culture of good corporate governance, protection of intellectual property rights, and greater knowledge about laws concerning investment, the economy, and financial administration. Training is the surest way to overcome these shortcomings. The government should also study ways to decrease the paperwork required of an investor to obtain the necessary authorizations, and provide mechanisms to allow the Commission to interface with government agencies on the investor's behalf.

Finally, there is an ongoing need for special courts to resolve investment disputes. Such disputes should be resolved by legal means only, as long as Iraqi courts possess the requisite material, human, and intellectual resources to render quick judgments. Disputes with the government should be handled by a committee specialized in investment law and headed by a judge.

Taking these suggestions from business people into account would greatly enhance the effectiveness of the investment law once it is implemented, helping it achieve the goals of improving Iraq's investment climate and strengthening the private sector.

*Dr. Mona Turki Musa is the director of the Center for Market Research and Consumer Protection at the University of Baghdad. Kevin Burnham translated this article from Arabic.*

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## Readers React

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## News and Views

### Algeria: Cabinet Reshuffle

On June 23, President Abdelaziz Bouteflika appointed Ahmed Ouyahiya as prime minister, replacing Abdelaziz Belkhadem. Ouyahiya has served as prime minister twice previously, from 1995 to 1998 and from 2003 to 2006. Several other ministers also were replaced; click [here](#) for a list of the new cabinet in Arabic. The changes provoked speculation in Algeria about prospects for 2009 presidential elections. Click [here](#) for more in Arabic.

### Morocco: Case Against *al-Jazeera*; Publication of Testimony Halted

On June 13, the Moroccan government brought charges against *al-Jazeera* Rabat bureau chief Hassam Rachidi for giving false information about June 7 protests in the southern city of Sidi Ifni. The government claimed that *al-Jazeera* fabricated information about the number of protesters arrested and injured. The government suspended *al-Jazeera's* permission to broadcast from Rabat in May. Click [here](#) for more information.

On June 26, Moroccan human rights activist Ibrahim Sab'a al-Layl was arrested following a press conference in which he described actions against protestors on June 7 as grave human rights abuses. Click [here](#) for more in Arabic.

On June 24, a court in Rabat ordered the newspaper *al-Jarida al-Oula* to halt publication of testimony on repression under the rule of late King Hassan II. The court acted on royal orders, following a request from Mohammed Herzenni, head of the Consultative Council for Human Rights that replaced the Equity and Reconciliation Commission in 2005. Herzenni said that such testimony should be reserved for “serious researchers” rather than media outlets. Click [here](#) for more information.

### Tunisia: Labor Unionists Arrested

On June 22, Tunisian labor union leader Adnane Hajji and other members were arrested following a demonstration protesting unemployment and inflation. Police clashed with protesters, leaving one dead. Click [here](#) for more information.

### Mauritania: Public Sector Wages Increased

On June 27, the Mauritanian government promised to increase public workers' wages by 10 percent, as part of a larger program instituted by the government to address the effects of global inflation. Click [here](#) for more information.

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## **Libya: Activist Assaulted**

On June 30, human rights activist Daw al-Mansuri Aoun was abducted outside his home in Tripoli, severely beaten, and released on a secluded street according to *Libya al-Yawm*, which is published in London. Click here for [more](#) in Arabic.

## **Egypt: Sectarian Attack; Refugees Deported; Judicial Council; Islamist Returns**

On June 20, Muslims reportedly attacked the Coptic community in a small village in the Fayoum district. The attack was directed at Coptic businesses and homes after a Coptic convert to Islam was believed kidnapped. Security forces arrested approximately twenty people accused of inciting violence. Click [here](#) for more in Arabic.

On June 19, the UN High Commissioner for Refugees urged the Egyptian government to halt deportation of Eritrean refugees. Egypt has deported some 700 Eritreans to date and reportedly is in the process of deporting another 600. Amnesty International issued a [statement](#) condemning the mass deportations. On June 22 the government prevented UNHCR from reaching detained Eritrean refugees and assessing their condition. Click [here](#) for more in Arabic.

On June 17, the People's Assembly voted to create a judicial council chaired by the president to coordinate among judicial bodies. The bill was accompanied by a second one relating to retirement pensions and insurance for judges. The Judges' Club and independent parliamentarians opposed the bill, which they said hurts judicial independence. Click [here](#) for more in Arabic.

On June 14, a prominent leader of the extremist group al-Gama'a al-Islamiya, Abdel Aakhir Hamad, returned to Egypt after nearly twenty years in exile. The government allowed his return following al-Gama'a's promises to renounce violence and promote stability. Other exiles from the group are likely to return as well. Click [here](#) for more in Arabic.

## **Lebanon: Formation of Unity Government Stalled; Scattered Sectarian Fighting**

Although they have agreed on a general composition of the government, Lebanese political leaders still disagree over the specific ministerial candidates as of July 9. Initially, members of the opposition movement opposed the allocation of cabinet portfolios. Currently, the governing coalition is working out disagreement over specific names. Click [here](#) for more in Arabic.

Meanwhile, isolated cases of sectarian violence fueled by political disagreement and rivalries have been reported in the northern city of Tripoli and the Bekaa valley. In Tripoli, battles between Sunnis and Alawis have left ten dead and more than eighty wounded; the latest fighting took place on July 9. The Lebanese Army deployed to the north on June 23. Click [here](#) for more in Arabic

## **Syria: Prison Riots; Activist Arrested; Journalist Sentenced**

On July 5, riots broke out in the Saydnaya prison on the outskirts of Damascus. The riots, which started after prison guards clashed with prisoners protesting poor conditions, resulted in twenty-five deaths and many injuries. Saydnaya houses political and Islamists inmates, whom the authorities blame for initiating the riots. Click [here](#) for more in Arabic.

On June 29, National Organization for Human Rights activist Mohammad Badi Dak al-Bab, arrested on March 2, was sentenced to six months in prison for insulting the state in an article

posted on the internet. Dak al-Bab served five years in prison from 2000 to 2005. Click [here](#) for more information.

On June 24, journalist Mazen Darwish was sentenced to ten days in prison for insulting a state administrator. Reporters without Borders issued a [statement](#) condemning his sentence.

### **Qatar: Cabinet Reshuffle**

On July 2, Emir Sheikh Hamad bin Khalifa al-Thani reshuffled the government to create three new ministries: Environment, Business and Trade, and Culture. In addition, the Ministry of Health, previously reduced to an agency, was reinstated and will be headed by Sheikha Ghalia bin Mohammed bin Hamad al-Thani. Click [here](#) for more information.

### **Bahrain: Increased Censorship; Activist Arrested: Shi'a Protest**

On June 23, the Ministry of Information banned three websites, alleging that they aggravate sectarian tensions. Prime Minister Sheikh Khalifa bin Salman al-Khalifa created a committee to monitor all print and internet media. The committee—composed of officials from the Ministries of Interior, Islamic Affairs, and Information—is also monitoring mosques for sermons that promote sectarianism, undermine state unity, or insult the ruling family. Click [here](#) for a government press release.

Activist Abdullah Hassan Bu-Hassan, member of the liberal Democratic National Action Society (*Wa'd*) was detained on June 18, for three days and charged with offending the regime following an article he published critical of government policies. He was released on bail on June 21. Click [here](#) for more information.

On June 19, thousands of Bahrain's Shi'a protested recent comments made by a Sunni Member of Parliament claiming that the Bahraini spiritual leader was an Iranian agent. King Hamad bin Issa al-Khalifa expressed respect for all men of religion and called for national dialogue to air grievances. Click [here](#) for more in Arabic.

### **United Arab Emirates: Bill Abolishing Imprisonment for Journalists**

On July 1, the Ministerial Committee for Legislation approved a bill abolishing jail sentences for journalists and granting greater freedom of expression. The bill is likely to undergo revisions before becoming law. Click [here](#) for more information.

### **Saudi Arabia: Domestic Workers Abuses**

On July 8, Human Rights Watch released a [report](#) detailing domestic worker abuse in the kingdom that ranges from unpaid wages to physical and sexual abuse. The group urged the government to do more to preserve immigrant worker rights. Saudi officials criticized the report, and Suhaila Zain al-Abedin of the government-affiliated National Society for Human Rights called it “unfair and one-sided,” adding that crimes committed by immigrant workers often go unreported. Click [here](#) for more.

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## Upcoming Political Events

- France: Mediterranean Union summit, Paris, July 13, 2008
- Spain: Interfaith Conference, Madrid, July 16-18, 2008
- Iraq: Provincial elections, November 2008
- Algeria: Presidential elections, April 2009

## Views from the Arab Media

Debate focused on recent developments in the **Palestinian issue**:

- Reacting to reported statements by an advisor to presidential candidate Senator John McCain, Jamal Tahat asks in an [article](#) published by the Jordanian daily *al-Ghad* on July 6 why Jordan is consistently proposed as an alternative homeland for Palestinians. Why not Lebanon or Syria, or Egypt or even Libya? the author wonders. The author stresses that only by eliminating Jordan as a possible homeland for the Palestinians will the right of return become an indisputable pre-condition for any comprehensive solution.
- In a June 26 [article](#) published by the pan-Arab daily *al-Hayat*, Palestinian writer Ma'mun al-Husseini argues that one underlying reason for the continued failure of Palestinian cause is the national movement's inability to create political and social institutions that can rally human and financial resources. Rather, disagreements over methodology and vision always lead to infighting. In light of this problem, the future of the Palestinians will remain in doubt even if Fatah and Hamas are able to resolve their differences.
- In a June 26 [article](#) in the Syrian independent daily *al-Watan*, 'Adnan 'Ali argues that political games between Hamas and Fatah, where each player declares its intent to resume talks in order to corner the other, might ultimately preclude a meaningful outcome.
- In a June 29 [article](#) in the Jordanian paper *al-Arab al-Yawm*, commentator Muwaffaq Muhadeen claims that the Bush administration's push for a resolution of the Palestinian issue before the end of the year reflects Israel's urgent need to eliminate Palestinian resistance. This is also evident in the Israel negotiations with Syria. Israel is pushing for Syria to dissolve ties with Hamas, Hizbollah, and Iran in the name of regional security, a scheme that will be exposed and will only increase Palestinian resolve to continue the struggle for liberation.

Other Arab commentary included:

- In a June 25 [article](#) published by the Lebanese independent newspaper *al-Akhbar*, Khaled Saghiya laments the delay in forming a unity government and the ensuing outbreak of sectarian violence in Tripoli. Faced with the fear of losing their positions in new elections,

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parliamentarians of all stripes have all begun to employ sectarian rhetoric to ensure their reelection. The author argues that under the circumstances perhaps less democracy is better, especially when democracy, in this context, means heightened sectarian and political divisions.

- The June 24 [episode](#) of *al-Jazeera's* “al-Ittijah al-Mu’akis” (The Opposite Direction) featured a debate on ongoing negotiations between the Iraqi and U.S. governments. Salah al-Mukhtar, former Iraqi ambassador to India under Saddam Hussein and former editor of *al-Jumhuriya* newspaper, argued that the proposed agreement exposed U.S. desires to control Iraqi oil in order to finance its regional interests. U.S. Public Affairs Counselor in Baghdad Adam Ereli said that the U.S. goal is not to monopolize Iraqi oil or military bases, but to guarantee strong economic, cultural, and political ties and to secure both Iraqi and U.S. interests in the region.

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## Read On

Publications on **U.S. and EU policy** in the Middle East include:

- In “[Rethinking the National Interest: American Realism for a New World](#),” U.S. Secretary of State Condoleezza Rice discusses lessons learned during the Bush administration (*Foreign Affairs*, vol. 87, issue 4, July/August 2008).
- “[The New Israel and the Old: Why Gentile Americans Back the Jewish State](#)” by Walter Russell Mead (*Foreign Affairs*, vol. 87, issue 4, July/August 2008).
- In “[In the Tank: Making the Most of Strategic Oil Reserves](#),” David G. Victor and Sarah Eskreis-Winkler assert that the U.S. administration should adjust its oil reserves policy in order to overcome economic crises (*Foreign Affairs*, vol. 87, issue 4, July/August 2008).
- Mona Yacoubian and Scott Lasensky make a strong case for engaging Syria to secure U.S. interests in the region in “[Dealing with Damascus](#)” (Council on Foreign Relations, Council Special Report Number 33, June 2008).
- In “[To Win the ‘War on Terror,’ We Must First Win the ‘War of Ideas’: Here’s How](#),” Hady Amr and Peter W. Singer stress the importance of public diplomacy in recovering U.S. credibility in the Muslim world (The Brookings Institution, July 2008).
- “[Hello Neighbour! A New EU policy from Morocco to Azerbaijan](#)” by Joachim Fritz-Vannahme, Armando García Schmidt, Margarethe Gawelek, Christian-Peter Hanelt, Cornelius Ochmann (Bertelsmann Stiftung, June 2008).

Several publications discuss the **Arab-Israeli conflict**:

- [Poll results](#) released July 1 by WorldPublicOpinion.org shows that respondents in fourteen of eighteen countries, including the United States, are against their governments taking sides in the Arab-Israeli conflict.

- In “[Does the Palestinian-Israeli Conflict Still Matter?](#)” Shibley Telhami analyzes surveys conducted in six Arab countries between 2002 and 2008. The survey shows that the Palestinian question continues to be seen as important everywhere. (The Brookings Institution, June 2008).
- In “[Does Foreign Aid Fuel Palestinian Violence?](#)” Steven Stotsky explores the correlation between increased international assistance and spikes in violence and terrorist acts and concludes that increased aid finances violence (*Middle East Quarterly*, vol.15, issue 3, Summer 2008, 23-30).
- “An Israeli Watershed: Strike on Syria” by Eyal Zisser (*Middle East Quarterly*, vol. 15, issue 3, Summer 2008).
- In “[Deterring Terrorists](#),” Shmuel Bar examines Israel’s terrorist deterrence strategy, which he deems successful (Hoover Institution, *Policy Review*, issue 149, June/July 2008).

Other publications focused on **Iraq**:

- In “[To Protect or to Project? Iraqi Kurds and Their Future](#),” Joost R. Hiltermann argues that federalism could help the Kurds achieve their much-desired independence (*Middle East Report*, issue 247, Summer 2008).
- “[Iraq’s Long-Term Impact on Jihadist Terrorism](#)” by Daniel L. Byman and Kenneth M. Pollack (The Brookings Institution, July 2008).
- “[After Saddam: Prewar Planning and Occupation of Iraq](#)” by Nora Bensahel, Olga Oliker, Keith Crane, Richard R. Brennan, Jr., Heather S. Gregg, Thomas Sullivan, Andrew Rathmell (Rand Corporation, June 2008).
- “[Shi’ism and Ethnic Politics in Iraq](#)” by Mehdi Noorbaksh (*Middle East Policy*, vol. 15, issue 2, Summer 2008).

Recent publications addressing **economic issues** include:

- In “[The Economics of Democracy in Muslim Countries](#),” Saliba Sarsar and David B. Strohmetz argue that the international community should encourage Muslim countries to spend more on establishing pillars of democracy and less on military and security needs (*Middle East Quarterly*, vol. 15, issue 3, Summer 2008).
- “[Politics, Economics and Tourism Development in Egypt: Insight into the Sectoral Transformation of a neo-Patrimonial Rentier State](#)” by Thomas Richter and Christian Steiner (*Third World Quarterly*, vol. 29, issue 29, July 2008).
- “[EU and U.S. Free Trade Agreements in the Middle East and North Africa](#)” by Riad al Khouri (Carnegie Endowment for International Peace, June 2008).
- The July issue of *Journal of Development and Economic Policies*, published by the Kuwait based Arab Planning Institute, explores labor market strategies in Kuwait, Algeria, and Egypt as well as other economic issues in the region.

- [“2008 MENA Economic Developments and Prospects: Regional Integration for Global Competitiveness”](#) (World Bank, June 30, 2008).
- In [“The Food Price Crisis in the Arab Countries: Short Term Responses to a Lasting Challenge,”](#) Ibrahim Saif recommends adopting far-reaching policies to address the recent economic crisis in the region (Carnegie Endowment, Web Commentary, June 23, 2008).
- [“Economic Instruments as an Environmental Policy Tool: The Case of GCC Countries”](#) by Mohammed Raouf (Gulf Research Center, June 2008).

Recent publications focusing on **Islamist politics** include:

- [“Shi’ite Lebanon: Transnational Religion and the Making of National Identities”](#) by Roschanack Shaery-Eisenlohr (Columbia University Press, June 2008).
- In [“Islam, the Law, and The Sovereignty of God,”](#) Mark Gould argues that *shari’a* can coexist with a liberal constitutional system (Hoover Institution, *Policy Review*, issue 149, June/July 2008).
- [“The New Frontiers of Jihad: Radical Islam in Europe”](#) by Alison Pargeter (I.B. Tauris, June 30, 2008).
- In [“Tactical Hudna and Islamist Intolerance,”](#) Denis MacEoin explores the history of such concepts as *hudna*, *fitna*, and *jihad* and their current relevance (*Middle East Quarterly*, vol. 15, issue 3, Summer 2008, 39-48).

Recent publications on **Gulf countries** include:

- In [“Dubai: The Vulnerability of Success,”](#) Christopher Davidson discusses Dubai’s remarkable achievements in economic diversification and argues that maintaining the inflow of foreign investment will necessitate further reforms at odds with the traditional character of the state (Columbia University Press, August 2008).
- In [“The Gulf in the G8 Agenda: Top Table Time?”](#) Vanessa Rossi and Ruth Davis discuss the increasingly important role Gulf countries play in the global economy and the growing need to integrate them into the G8 (Chatham House, *The World Today*, vol. 64, issue 7, July 2008).
- In [“Saudi Arabia’s Foreign Policy: Discreet Persuasion”](#) Neil Partrick explores Saudi foreign policy, whose inner contradictions became evident during Lebanon’s struggle (Chatham House, *The World Today*, vol. 64, issue 7, July 2008).
- [“The Gulf Sovereign Wealth Funds: Myths And Reality”](#) by Jean-Francois Seznec (*Middle East Policy*, vol. 15, issue 2, Summer 2008).
- [“Combating Extremism: A Brief Overview of Saudi Arabia’s Approach”](#) by Abdullah F. Ansary (*Middle East Policy*, vol. 15, issue 2, Summer 2008).

- The July issue of [Araa](#), published by the Gulf Research Center, covers GCC countries and the Arab Israeli conflict, energy debates between producers and consumers, and national unity in Iraq.
- “[Conventional Armed Forces in the Gulf](#)” by Anthony Cordesman (Center for Strategic International Studies, June 24, 2008).

New publications highlight **human rights in North Africa**:

- “[In the Name of Security: Routine Abuses in Tunisia](#)” (Amnesty International, June 23, 2008).
- In “[Morocco’s Imperfect Remedy for Gender Inequality](#),” Camelio Gomes-Rivas examines the deficiencies of Morocco’s reformed family law, which he argues remains unpopular in the country (*Middle East Report*, issue 247, Summer 2008).
- “[Mauritania: ‘Nobody wants to have anything to do with us’: Arrests and collective expulsions of migrants denied entry into Europe](#)” (Amnesty International, July 1, 2008).

Topics covered in recent **Arab journals** include:

- The July issue of [al-Majala al-‘arabiya lil-‘ulum al-siyasia](#) (*The Arab Journal of Political Science*), published by the Center for Arab Unity Studies in Beirut, covers U.S. engagement in Iraq, Israel and options for peace and security, the international context for political reform in the Middle East, and the EU’s Mediterranean initiative.
- The July issue of [Majalat al-mustaqbal al-‘arabi](#) (*The Arab Future*), also published by the Center for Arab Unity Studies, includes articles discussing the reality of stability and development in the Arab world, political pluralism and bureaucratic hierarchies in the Gulf, and relations between the Muslim Brotherhood and the Egyptian government.
- The July issue of [al-Siyasa al-Dawliya](#) (*Foreign Policy*), published by the Al-Ahram Center for Strategic and Political Studies in Cairo, includes articles on the EU Mediterranean initiative, Iran’s growing regional influence, Lebanon’s ongoing political crisis, Israel’s global ties, and a special report on China’s increasing economic hegemony.

**Please note:** The *Arab Reform Bulletin* is not published in August. See you in September.

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