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Between Rocks and Hardplaces? The Strategic Path of Jordan in a Changing Middle East

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Jordan's decision to closely associate itself with the US-led "war on terror" can best be explained by examining aspects of the country's political economy. The policy direction charted by King Abdullah raises new dilemmas for the country in the wake of ongoing Israeli-Palestinian tensions and America's campaign against Iraq.

The events of September 11 have sharpened security concerns for many nations in the Arab world. Almost immediately after the attacks, observations by American policymakers and commentators that the men suspected of hijacking four American aircraft were all from the Middle East, most notably Saudi Arabia and Egypt, reinforced politically sensitive issues for these regimes and others about the levels and consequences of domestic discontent brewing within their societies. While relatively small segments of Arab national populations support the specific methods and ideology of al-Qaeda and Osama Bin Laden, the overall critique of prevailing regional politics they espouse, including the prevalence of official corruption and its connections to persistent and widespread economic and social degradation in the Arab world, retains a potential to mobilize many. Moreover, the ongoing crises in Israeli-Palestinian relations, coupled with American threats to expand its "war on terror" to Iraq and other Arab states heightened anxieties about future regional stability and posed fundamental...
questions for the Arab world about ongoing relationships with the US.

No Middle Eastern actor feels greater pressures in these arenas today than Jordan. Geographically pinched between the Israeli-Palestinian conflict and America’s ongoing campaign against Iraq, Jordan is continually concerned for its physical and military security in an uncertain regional environment. But domestically too, Jordan has long worried about its economic and political future, particularly given its tenuous demographic balance between East Bank Transjordanians and majority Palestinian population. Even before the events of the past year, promises by King Abdullah for greater economic prosperity and further democratic reforms have sharply contrasted with the stagnant levels of development and tighter domestic political restrictions prevailing in the country. Jordan’s immediate endorsement of the US after the events of September 11 and its public efforts to influence US policy on regional conflicts while continuing to pursue economic help from the West contrasted notably with the more ambiguous reactions of other Arab states and exacerbated public concerns over the directions of Jordan’s future international relations. ¹

In some important ways, Jordan’s decision to align so strongly with the US in its “war on terror” underscores the country’s current vulnerabilities and stands in marked contrast to choices it made during the Gulf War of 1990-91. A decade ago, the Jordanian monarchy followed popular sentiment and shunned the US position that eventually led to war with Iraq, calculating that what it lost economically in regional and international aid could be recouped politically through enhanced domestic popu-

BETWEEN ROCKS AND HARD PLACES

larity (Anderson 1997). Over the past ten years, however, Jordan has increasingly sought to portray itself as a forward-looking Arab state, willing to embrace elements of a globalizing world and make peace with Israel while it carefully pursues economic and political reform at home. Given the direction it has embarked upon and its current reliance on the international community for support in managing its economic difficulties, Jordan is today banking on enhanced attention and assistance in exchange for its strong political stance against terror. This policy comes with significant risks to the regime. As in developing countries throughout the world, a segment of Jordan’s population believes the US and the processes of globalization it promotes serves to threaten national, cultural, and religious identities in the region or constitutes a form of neo-imperialism. When these perceptions are combined with more widely prevailing public concerns over persistent domestic hardships and sharp reminders of suffering among neighboring Palestinians or Iraqis at the hand of American supported policies, pressures on the Jordanian state inevitably grow.

The security dilemmas now facing Jordan involve increasingly stark choices between domestic and foreign policy directions. On the one hand, for Jordan to adopt a foreign policy favoring the West that ultimately entails confronting terror on terms set by the West runs the risk of alienating significant portions of the domestic population, especially if any “war on terror” distorts or damages Jordan’s brittle economy. The prospects of growing gaps between public and governmental outlooks and a rise in organized domestic efforts to express popular dissatisfaction with official policy courts the possibility of more repressive governmental responses, which in turn further jeopardizes the Jordanian regime’s efforts to credibly promote political liberalization at home. A worst-case scenario could see an undercutting of Jordan’s domestic political stability. On
the other hand, for Jordan’s foreign policy to express popular sentiments and thereby challenge core elements of western stands on policy toward Iraq or the Palestinian-Israeli conflict will almost certainly jeopardize American and western support that the regime has sought to cultivate over the past decade, thereby endangering the state’s capacity to meet economic challenges and domestic needs. Traditional explanations for how states resolve such dilemmas that emphasize decision-making based on the nature of external threats go only so far in accounting for Jordan’s recent foreign policy behavior and competing perspectives that focus on domestic factors primarily serve to underscore the dilemmas that prevail. Instead, increasingly, Jordan’s foreign policy alignments can be understood by examining aspects of the country’s political economy. The nation’s prevailing economic needs and the ways these influence the decisions of Jordanian leaders pose distinct challenges for the Kingdom. In several important ways too, the dilemmas Jordan confronts are emblematic of the hurdles facing many regimes in the Arab world. How successfully Jordan manages its affairs may provide telling indicators about its future, the future of the region and the capacity of the US and the West to pursue its interests in the area. After a brief summary of the actions Jordan has taken in response to September 11 and the immediate concerns they pose, the recent twists and turns of Jordan’s strategic path will be evaluated from external, domestic and political economy perspectives.

JORDAN’S RESPONSE TO SEPTEMBER 11

At the time of the terrorist attacks in New York, Washington, D.C., and Pennsylvania, King Abdullah was in London preparing for a weeklong trip to the US intended to culminate in talks with
President Bush. Although the King cancelled the visit, his government soon signaled its firm support for the US actions against al-Qaeda, arguing that the attacks were carried out by “extremists who do not represent at all the Arabs and Muslims and serve in no way their just causes.”\(^2\) As part of this initial response too, King Abdullah became the first Arab leader to visit the White House three weeks later and indicated that Jordan would continue sharing intelligence on terrorists with the US.\(^3\) These reactions were accompanied by stories originating in Europe and reprinted in Jordan that the King and his family had themselves been targeted by al-Qaeda for assassination in the summer 2000, thereby seeming to establish some tangible connection between Jordan and America’s plight.\(^4\)

Nonetheless, when the US initiated military action against the Taliban some weeks later, Jordanian society reacted in near complete opposition. While Islamic critics of the Jordanian government condemned American attacks on Afghanistan as a “dirty war of extermination” and opposition political parties were prohibited by the government from organizing marches to protest US aggression, many Jordanian philanthropic groups set up committees in solidarity with Afghanistan.\(^5\) However, official Jordanian responses to American actions were notably more muted, emphasizing only that the US should take care to spare Afghan civilians while warning constituencies within Jordan that the regime would take “all necessary measures to maintain na-
tional security for the interests of the country." Soon after, Jordanian security forces detained a number of Islamists and Jordan’s Penal Code was revised without parliamentary approval to broadly redefine terrorism and mandate that violations would result in death or life imprisonment. These changes were accompanied by multiple security trials in the country that took on new domestic and international significance, particularly the case of Raed Hijazi, who had been on the FBI’s most wanted list and stood accused of planning to bomb the Radisson SAS hotel in Amman as part of a series of al-Qaeda sponsored attacks on American and Israeli targets during millennium celebrations in Jordan. At the conclusion of a brief but controversial set of proceedings, a Jordanian judge found Hijazi guilty of planning the attack and sentenced him to death, while at the same time acquitting him of having belonged to al-Qaeda. Ramifications of this trial persisted beyond Hijazi’s sentencing as a February 2002 bomb blast in Amman was thought to have targeted one of Jordan’s top investigators in the case. By the end of 2001, King Abdullah had approved another controversial temporary law permitting Jordanian troop deployments to Afghanistan for a “humanitarian mission” involving medical and mine clearing operations in Mazar-e Sharif. Moreover, added restrictions imposed on Jordan’s media and press increased the risks of criticiz-

ing the regime and, combined with continued curbs on public demonstrations, the measures motivated some to charge that the government was exploiting the crisis in order to return the country to the days of martial law.\textsuperscript{12}

Throughout this domestic squeeze, Jordan stood behind US policy in confronting al-Qaeda; however, it repeatedly expressed opposition to American plans that involved attacks on Iraq or any other Arab state. During King Abdullah’s September 28 trip to Washington, D.C., the Jordanian press reported he had extracted a promise from the Bush administration that it would not target Iraq or any other Arab country, a pledge that was quickly called into question by continued statements from Bush officials suggesting America would strike at any state harboring terrorist elements.\textsuperscript{13} Subsequent Jordanian warnings against Iraq were met with similarly ambiguous US responses. Jordan’s concerns for the US terror fighting strategy were also raised by the deterioration in Israeli-Palestinian relations and the repeated Israeli incursions into territories handed back to the Palestinian Authority. Ever since the events of September 11, King Abdullah has been quick to echo public sentiment by connecting the attacks on the US to larger issues in the region, saying during one interview that “if the United States had resolved the problems in the Middle East, notably the Israeli-Palestinian question, I seriously doubt that they [September 11 attacks] would have taken place.”\textsuperscript{14} Jordan’s push for the US to forcefully engage Israeli-Palestinian diplomacy has only grown with the escalation of vio-

\textsuperscript{12} Sana Kamal, “Tightening the Screws,” \textit{Middle East International} 26 October 2001, p. 21.
\textsuperscript{13} Kamal, “Taking No Chances,” \textit{Middle East International} 12 October 2001, p. 11.
lence between the two and America’s reticence to heed Jordan’s counsel has threatened to strain relations.

But in spite of these differences in specific policy directions, Jordan’s official pronouncements do not yet indicate signs of a breach in the strong strategic bond with the US formed over fighting terror. Indeed, members of the Jordanian regime emphasize that they understood the dangers posed by terror networks long before the West and reiterate that the country’s resolve to fight extremism is unwavering.\textsuperscript{15} Still, individuals inside and outside elite Jordanian circles regularly express suspicion over western motives behind fighting terror and worry whether Jordan’s support will eventually result in a widening split between the Jordanian state and street.\textsuperscript{16} In the eyes of some, Jordan is hanging between dependency on Washington and its own public opinion.

JORDAN’S CHANGING POSITION IN THE REGION

One path to explaining a country’s foreign policy stance is to assume that states are primarily reacting to forces they confront in the regional or international system: thus, the nature of external threats or challenges will dictate appropriate responses.\textsuperscript{17} For a relatively weak state like Jordan operating in a dangerous regional and international environment, at least three possible responses exist: balancing, bandwagoning, or omnibalancing. Balancing and bandwagoning essentially constitute opposite reactions to a perceived threat: either a country allies with others to offset danger or it aligns with a source of peril in order to mini-


\textsuperscript{17} A key argument along these lines can be found in Stephen Walt, \textit{The Origins of Alliances} (Ithaca, NY: Cornell University Press, 1987).
mize its impact or share in the resulting spoils (Walt 1987, 97). Omnibalancing is a form of alignment decision that assumes choices will be made based on an assessment of all threats facing the regime—external and internal—and will reflect a regime’s primary desire to survive (David 1991).

When considering Jordan’s traditional position in the Middle East, Jordan has typically been characterized as a strategically vulnerable moderate Arab state that carefully navigates its way through inter-Arab politics while the king and his tight cadre of foreign policy makers typically harbor pro-western sympathies. Moreover, its role in the Arab-Israeli conflict has long been considered particularly important given its geographic proximity to Israel and its large Palestinian population, much of which came to Jordan to escape the ravages of regional conflict. According to this perspective, although Jordan maintained tacit understandings with Israel for many years in order to enhance its security, historical Jordanian claims to the West Bank and a need for its policies toward Israel to respond to its Palestinian majority necessitated that the country resist converting this relationship into a formal peace arrangement for fear of suffering a backlash from other Arab states (Ryan 1998). This fear was reinforced after Jordan’s leaders watched Egypt endure isolation in response to concluding its own separate peace with Israel. Beginning in the mid-1980s, however, King Hussein undertook to reposition Jordan in the region, an effort that culminated in the country’s renunciation of claims to the West Bank late in the decade. Strategically, this move ended any possibilities of the King negotiating on behalf of Palestinians and simplified the prospects for concluding an agreement with Israel by diminishing Jordan’s part in the process to settling matters of sovereignty along the east bank of the Jordan River. Following this shift, Jordan was integral in creating the Arab Cooperation Council (ACC), an alignment of Egypt, Iraq, North Yemen, and Jordan to primarily
promote inter-Arab economic cooperation. The emergence of this organization further clarified Jordan’s evolving strategic role as a state pushing regional economic integration and a new pathway for the future of the Middle East. Though the ACC had little in the way of an explicit military component, Jordan’s alliance with Iraq and Egypt also allowed it to associate with two key powers that provided a degree of balance against its chief regional security concerns at the time, Israel and Syria.¹⁸

This alignment was soon shaken, however, by Iraq’s 1990 invasion of Kuwait. Although Jordan shared little ideologically with Baghdad’s ruling establishment and condemned Iraq’s breach of Kuwaiti sovereignty, because the country’s political and economic ties to Iraq had grown significantly since the mid-1970’s the King and others considered the relationship to be vital (Baram 1991). Essentially, Iraq’s occupation of Kuwait had trapped Jordan between the countervailing threats of Israel and Iraq, with both powers occupying Arab land. As a result, Jordan’s initial response sought to promote an Arab solution to the Iraqi crisis that attempted to build links between it and the ongoing Israeli seizure of Palestinian lands while pointing to the contradictions inherent in rapid western mobilization against Iraq and years of quiescence in the face of Israeli occupation (Lesch 1991). With this stance, Jordan quickly found itself caught in another strategic bind, at odds with fellow ACC member Egypt as well as America’s anti-Iraq coalition building. Soon it was forced to choose between once compatible associations. Strategically, the stronger case for alignment seemingly rested with joining the anti-Iraq coalition, particularly given Jordan’s historically pro-western orientation and the offers of enhanced aid extended by Saudi Arabia and others. In the end, however, when King

¹⁸ For more on this alignment, see Curtis Ryan (1998) “Jordan and the Rise and Fall of the Arab Cooperation Council,” Middle East Journal 52 (3): 386-401.
Hussein's efforts at mediating the crisis failed, he bowed to Arabist pressures and pursued a course consistent with omnibalancing, choosing not to abandon Iraq and thereby endure political ostracism from the US and Jordan's former Gulf Arab allies. Although Jordan was siding with the weaker party strategically, its moves followed logically from its commitment to finding a regional solution. The choice also reflected popular pro-Iraqi sentiments being expressed within Jordan, especially among elements of the country's security and military ranks that provided critical support for the monarchy, as well as within Palestinian segments of society that had long been an internal security concern (Garnham 1991, 74).

The political isolation Jordan experienced for its decision was great in the short term and soon after the Gulf War ended, the country's leaders strived to regain Jordan's standing within the region while attempting to reclaim its prior measure of universal international acceptance. The country quickly rehabilitated itself strategically with the US and the West by breaking with a weakened Iraq and eventually welcomed Iraqi dissidents to Amman. Moreover, after Israel and the Palestinians cleared the way for peace politically by completing the Oslo Accord, Jordan concluded its own treaty with Israel in the hopes of reaping economic and political rewards. However, as peace with Israel failed to realize its early potential and concerns about Jordan's alienation in the Arab world grew, its leaders moved to restore relations with the Gulf states and gradually even began to play a subtle leading role in Arab reconciliation with Iraq. At the same time, mounting worries over the security ramifications of growing Israeli-Palestinian tensions prompted the Jordanian government to launch a crackdown on Hamas officials in Jordan. As the

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second Palestinian *intifada* that began in September 2000 grew in intensity, Jordan’s regional and international efforts to diffuse Israeli-Palestinian tensions escalated in order to prevent Palestinian frustration from destabilizing Jordan’s always delicate demographic balance. 20

In light of these efforts, Jordan’s stance to align with the US against terror could be viewed as a logical extension of a form of bandwagoning that has marked the country’s foreign policy since the end of the Gulf War and that is largely consistent with the country’s tendencies historically. Regionally, Jordan finds itself solidifying its ties today with powers like Saudi Arabia that are directly challenged by al-Qaeda and internationally it is positioning itself to stand behind US political and military muscle. Moreover, if the King was in fact a target of al-Qaeda and many of the country’s tourist destinations were labeled for attack, Jordan’s recent alignments could further be regarded as an effort to counter a significant threat to the security of both the regime and the country. At the same time, Jordan’s work to convince its American ally to forgo operations against Iraq and instead devote its terror-fighting energies to engaging the Palestinian issue more directly and diplomatically could be viewed as attempting to head off more immediate security concerns. What Jordan fears from a move against Iraq is the possibility that Iraq could again attack Israel and engulf much of the country’s perimeter in conflict. Meanwhile, ongoing Israeli-Palestinian violence always contains the potential to create a spillover effect in Jordan, with worry of a massive, forced Palestinian population transfer part of a worst case scenario. 21

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21 See for example comments by the current Prime Minister of Jordan in “PM Says Palestinians Should Prove Ability to Establish State,” *The Jordan Times* 1 July 2002.
It is also clear that associating categorically with the US war on terror carries significant strategic risks for Jordan as revealed by the omnibalancing concept. For one, the move has exposed Jordan openly as an ally of the US at a particularly sensitive moment. In the current regional and global climate, a closer relationship with the US invites more attention from terrorist elements that seek to illustrate the moral bankruptcy of prevailing Arab regimes and simultaneously damage US interests. More critically, however, a strong Jordanian connection with the US complicates the regime’s efforts to maintain a credible Arabist posture and assure security domestically. In the past, Arab suspicions of Jordanian motives have escalated when it sides with the West and Jordan’s leaders have often been sensitive to critiques that charged too close an alignment with the West at the expense of its place in the Arab world. A recent example of this dynamic came in 1997 during Jordan’s participation as an observer in Turkish-Israeli military maneuvers which drew the ire of many in the region. Similar criticisms have been leveled by Egypt and Saudi Arabia over Jordan’s willingness to contribute forces to the US campaign in Afghanistan.\footnote{Kam Sana Kamal, “Troops to Mazar,” Middle East International 21 December 2001, pp. 17-18.} Moreover, US policies that target Iraq and favor Israel in its conflict with the Palestinians are widely unpopular within Jordanian society and in the Arab world more broadly and they have provoked strong public reactions inside Jordan, reactions the regime has sought in term to limit.\footnote{See Marc Lynch, “Jordan’s King Abdullah in Washington,” MERIP Press Information Note 94, 8 May 2002, http://www.merip.org/pins/pin94.html.} When viewed through this prism, Jordan’s response to the war on terror is courting domestic, regional and possibly now international security threats that a decade earlier the country explicitly chose to avoid confronting.
DOMESTIC POLITICS AND ECONOMIC STABILITY

Though aspects of omnibalancing do attempt to incorporate domestic interests, for the most part the previous account relies on the behavior of other actors in the system to explain the foreign policy orientation of a state. However, a second set of explanatory variables revolves specifically around domestic factors. In general, this perspective seeks to incorporate the ongoing processes of identity construction in a state, the dynamics of intra-state coalitions and civil society, and the pressures of economic interdependence and state driven economic development into calculations of the security dilemmas faced by a state (Lawson 1993). As changes in these areas occur domestically, they alter a regime’s calculation of threats and the salience of the security dilemma a state confronts (Lawson 1993, 123).

Since 1989, Jordan’s monarchical system has been changing. Beginning in 1986, King Hussein reconvened Parliament that had been dismissed almost two decades earlier and in 1989, he sanctioned new elections after painful economic reforms sparked riots and social unrest in cities traditionally loyal to the monarchy. The results of these elections saw Islamists win almost as many of the 80 seats contested as regime loyalists and created the prospects for more contentious politics within the country. However, Jordan’s strategic break with the anti-Iraq coalition clearly had the impact of unifying contending domestic constituencies. Jordanians from across the political spectrum sympathized with the Iraqi position against what was regarded as an arrogant Kuwaiti regime that had exploited inexpensive Jordanian labor for years. Despite the added economic hardships borne by Jordan’s choice to favor Iraq in the conflict, King Hussein’s decision ultimately opened the door for Islamic participation in the government and solidified the regime’s standing at home.
As time progressed in Jordan, however, the path of political and economic liberalization embarked upon by the regime became more controversial domestically. Changes in Jordan’s electoral law that replaced a multiple vote system with a “one person-one vote” scheme severely and purposefully cut into Islamic representation after the 1993 elections and eventually resulted in many Islamist parties boycotting parliamentary elections in 1997. Jordan’s peace treaty with Israel in 1994 came as a shock to many in the country and quickly gave rise to a popular movement against normalization of relations with Israel. The strength of this movement together with other changes underway in Jordanian civil society prompted the state to place significant controls on organized groups, including strict limits on the capacity of sanctioned organizations to engage in explicit political behavior (Wiktorowicz 1998). All this has constrained domestic political debate and contributed to a significant drop in the Jordanian public’s faith in democratic politics while provoking scholars to coin phrases like “façade democracy” to describe what the country is practicing.24 In economic terms too, Jordan continued to struggle throughout the 1990s with low growth rates, high unemployment, and strict limits on economic help from the government in order to remain compliant with International Monetary Fund (IMF) structural adjustment requirements. Periodic social unrest arose in key areas of traditional regime support, particularly in reaction to state cutbacks on subsidies or other measures connected to complying with international economic agreements. Corruption remained a problem in the economy as well and government credibility on economic matters

Palestinians who have been left to find their way in the now favored private sector.

At another level too, some scholars of Jordanian politics have noted an identity change underway within the Kingdom, leading to a new level of contestation within Jordan’s “public sphere.” After long responding to pressures inherent in the country’s prevailing Arabist identity, more recently a “nationalizing project” pushed by the country’s leadership has encouraged Jordan to become more state-centric and transformed its policy preferences. Whereas Jordan once had been motivated to frame its foreign policy so that it would maintain an accepted place within an Arab consensus, gradually the regime now calculates interests at an inherently state level while regionally emphasizing the aspects of its foreign policy that can modernize and transform the position of the Arab region in a globalizing world. Although many domestic constituencies quietly support the changes underway, the new outlook still has influential opponents, especially among Arab nationalist, Palestinian and selected Islamic quarters. The extent to which the state limits or represses public expressions of this opposition indicates a failure on its part to persuade these and other constituencies and potentially signals the continued presence of doubts over Jordan’s course within portions of the state itself.

Given these prevailing domestic conditions, one can see some limited potential advantages to a Jordan aligned strongly against terror and with the US. At the international level, Jordan is again being held up as a model of moderation by the US and such external political support can help the regime promote the advantages inherent in its commitment to change with its domestic

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was badly damaged recently by exaggerated claims of growth and prosperity that were exposed by external observers.

What has emerged throughout this time is a gradual divergence of state interests with public opinion in the country. While the regime seeks to contain domestic frustration with economic hardships and maintain control over political processes through the manipulation of electoral laws and timing of elections, Jordanians themselves continue to seek greater and more meaningful avenues of political expression and influence. Periodic demonstrations, either protesting unpopular governmental policies or supporting causes the government is not endorsing, have become more prevalent and have motivated the regime to place more significant restrictions on public gatherings. Despite such limits, demonstrations are nonetheless occasionally organized and sometimes provoke harsh governmental reactions. Other recent examples of unsanctioned political behavior include grassroots publication of a “blacklist” of Jordanian enterprises that do business with Israel and an attempt to organize a popular boycott of US products sold in Jordan in light of US attacks on Afghanistan. The severity of this breach between the public and the state has grown more acute since King Abdullah assumed the throne in 1999. Although the new monarch initially ingratiated himself publicly with surprise royal visits calling attention to underperforming state enterprises in the name of reform, increasingly attention has shifted to his difficulty in conciliating divergent factions in the country and promoting a successful socio-economic plan furthering development.\(^{25}\) Of particular note here too are rising tensions between East Bank Jordanians who have traditionally controlled the public sector of the economy and

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THE JOURNAL OF POLITICAL SCIENCE
In a practical sense too, since the events of September 11 have been devastating to many vital developing industries in the country like tourism, siding with the US held out the prospects for domestic economic relief. Jordan’s strategic choice was clearly influential in speeding a finalized and quickly implemented free trade agreement with the US, which Jordan has trumpeted as an accomplishment that will help enhance the quality of life for many Jordanians. However, these benefits remain tied to the external arena and in any event do not appear to outweigh the advantages Jordan would accrue domestically had it adopted a more ambiguous position or kept more diplomatic distance between itself and America. It has become increasingly clear in recent times that processes of political liberalization in Jordan have been intentionally slowed—to some, the primary aim of the country’s “democratization” was always to further entrench traditional pillars of power in their positions while nominally bowing to the forces of political challenge (Robinson 1998). Although frustration with the slow pace of political reforms is not widely evident due to stifled channels of political expression, Jordan’s choice to ally closely with the US adds salient areas of difference between the regime and much of the public over approaches to the condition of the Palestinians and the future of Iraq that today find little political space for airing. Moreover, whenever some Israeli-Palestinian political accommodation is reached, Jordan faces a potentially wrenching domestic process of compelling Palestinians to choose between being Palestinian (and perhaps having political rights in Jordan permanently curbed) or being Jordanian (and thereby relinquishing claims to political activity in a future Palestinian state). Should such a moment arise, the level of legitimacy enjoyed by

the Jordanian regime will be critical. Combining this impending challenge with the persistent hardships many Jordanians continue to experience from a slow-growing economy further exposes political gaps between state and society. Although few regard the Jordanian monarchy as under any direct or fundamental challenge today, its long term future is never assured given the future it faces. By siding with the US, the regime has taken additional steps to underscore several areas of contention that have divided the government from its people over the last several years.

POLITICAL ECONOMY AND BUDGET SECURITY

Whereas a political economy and budgetary security framework shares ground with the previous perspective in that it considers domestic threats as relevant to explaining a nation’s alignment decisions, it diverges by assuming specifically that a regime’s estimates of its own economic needs and weaknesses can shape foreign policy decisions, especially regarding alliances (Brand 1994). The key priority emphasized here is the need for the regime to promote and protect state solvency and sources of state revenue (including trade, aid, remittances, and customs duties) in order to ensure the health of the domestic economy. The presumption is that a state will align with one or more actors primarily to prevent economic crises or otherwise enhance its economic stability (Brand 2001).

There is little doubt that in the past twenty years, Jordan’s political economy has been a central challenge for the regime. While long a poor country with few natural resources in a wealthy region, by the 1970s Jordan had become dependent for much of its annual revenue on external aid from its Arab neighbors and remittances from large segments of its labor force employed elsewhere. Moreover, the state was primarily supporting the domestic economy by serving as primary employer, fun-
der for development and social welfare projects, and subsidizer of many basic life staples (Brynen 1992). Between 1981 and 1987, a slumping oil market drove Jordan’s revenue base down dramatically and plunged the country into economic crisis. Typical of developing countries under such stress, the state borrowed heavily to finance its growing budget deficit rather than cut expenditures and risk domestic discontent. Soon, Jordan had exhausted its own reserves and could no longer finance its $8.4 billion debt (Reed 1990). When the government sought IMF help to reschedule its debt in the spring 1989, the terms exacted for such aid included cuts in consumer subsidies, price increases and other painful economic reforms, all of which quickly led to domestic unrest in key areas of traditional support for the monarchy and compelled King Hussein to begin opening up the political system (Rath 2001). Gradually too, the era of Jordan relying primarily on external sources of income support was ending (Brand 2001). The country’s transition from a rentier economy to an economy based on domestic production for export required new external alliances and by the 1980s, these needs were already beginning to influence Jordan’s alignment choices, including revised relationships with Syria, Iraq and Egypt (Brand 2001, 145-150).

The outbreak of regional crises with Iraq’s invasion of Kuwait placed a series of undesirable economic choices before Jordanian foreign policy makers and again from this perspective seemed to auger for allying the country with the coalition confronting Iraq. After all, Jordan had long been dependent upon Gulf aid and economic markets, with Saudi Arabia in particular standing as its second largest trading partner and most reliable source of assistance and subsidized oil. The Saudis made clear to Jordan that they would reward or punish depending on the choice it made (Brand 1991). On the other hand, Iraq was Jordan’s largest trading partner, a source of inexpensive oil, and an important
client in the Jordanian port of Aqaba, where many Iraqi imports and exports were transshipped away over the past eight years from the dangers in the Persian Gulf War with Iran. Walking away from Iraq meant leaving behind a key source of energy and potentially losing access to Iraqi markets even beyond the terms of any sanctions regime directed against Baghdad. Though an economic explanation alone does not fully account for why Jordan chose to side with Iraq and incur huge short-term costs, it does emphasize the limited maneuverability Jordan possessed economically at the time of the crisis (Brand 1999). More significantly, while Jordan's decision to side with Iraq in the wake of the crisis cost it Gulf and American aid as revenue sources, it became a major beneficiary of cheap Iraqi oil and allowed the King to mollify key constituencies that national revenues continued to support, including the country's military and security forces. At the same time, the move ultimately interrupted economic restructuring and thereby delayed the additional pain and dislocation associated with long-term changes.

Since the second Gulf War, Jordan has walked a tighter line on economic reform than on political liberalization. After regaining American aid in the wake of its break with Iraq, the government implemented a second phase of economic adjustment policies in conjunction with the IMF, which included eliminating bread subsidies and again provoked rioting in southern Jordanian towns like Kerak and Maan. Unlike what prevailed in the previous round of economic reforms, however, Jordan's macroeconomic conditions were showing temporary signs of improvement and the government had learned how to manage the political liberalization process more to its liking. The result was it did not respond to additional social unrest with more political openness but rather with a crackdown on demonstrations and threats of an "iron-fist" to restore order (Ryan 1998). Jordan's move to strike a peace deal with Israel was motivated partly by economic con-
siderations as well. Peace with Israel not only held the prospects for opening Israeli markets (as opposed to Iraqi markets) and expanding domestic industries like tourism but it meant the possibility of courting more sustained US and western assistance, including most critically debt rescheduling and relief. However, clearly Jordan has not been able to reap all the economic advantages it sought from its accord with Israel and this has in turn more recently fueled the country’s tentative initiatives that promote Arab reconciliation with Iraq, a stance popular with portions of Jordan’s increasingly important private economic sector.

Push for economic change has been further accelerated by King Abdullah’s accession to the throne and his priority to promote national economic development by making Jordan a regional trade center and modernizing the country for entry into the globalizing world economy. Not only has Jordan attained membership in the World Trade Organization and been active in regional economic conferences but it also began establishing Qualifying Industrial Zones (QIZs), where products are jointly manufactured by Israeli and Jordanian firms and enter US markets duty-free, and created the Aqaba Special Economic Zone (ASEZ) to enhance the production and flow of Jordanian exports and attract foreign capital into the country. Efforts to privatize state firms expanded markedly and the government sought to generate more revenues domestically by raising sales taxes and continuing to cut government subsidies (Andoni 2000). In addition, the King sought to entice information technology industries like Microsoft to develop Jordan’s future infrastructure (Cunningham 2002).

Despite the continued emphasis on economic transformation underway, questions remain about who benefits from this activity. Many of the costs associated with the early phases of privatization and economic restructuring were clearly felt most readily by the middle and lower classes in Jordan. It is estimated today
that upwards of one-third of the population still lives below the poverty line. Moreover, the pace of economic transformation has been a touchstone of resistance among many entrenched groups in the country which have spawned grassroots opposition to normalization with Israel and questioned the wisdom of immersing a tribal society in the global market. Though critics of Abdullah's direction themselves remain badly divided, the clash between "modernizers" and "traditionalists" has nonetheless been a noticeable factor in the survival and demise of successive governments recently within Jordan. When outgoing Prime Minister Abdul Raouf Rawabda was relieved of his post in favor of Ali Abu Ragheb in 2000, the key charge given the new government was to implement another round of socio-economic reform that the previous government had failed to enact.

Given the economic priorities now being pursued by Abdullah and the tangible needs that accompany it, the King seemingly concluded that continued support of the West and especially the US was essential. Although Jordan's primary creditors today are Japan and European nations, enthusiastic US backing provides the regime with leverage in attempting to win the debt relief and competition for new foreign direct investment that the country seeks. Jordan quickly profited by its support of America's war on terror when the Bush administration prodded final congressional approval and expedited implementation of the Jordan-US free trade agreement, with Bush underscoring that countries supporting peace and economic reform stood to gain "concrete benefits." A doubling of US foreign aid to $450 million has also been proposed. While Jordan has made strides to increase oppor-

tunities for basic education and access to health care, pressures to provide jobs with higher living standards to a society where half of its five million people are under age 20 remains a central economic challenge. Economists estimate that Jordan’s economy must create more than 50,000 new jobs annually to absorb workers entering the market and begin lowering the country’s stubbornly high unemployment rate and it must grow at six percent or more annually in order to lift per capita incomes above $1,700. Corruption and the practice of wasṭa (connections) also remain critical obstacles the country must overcome. Although recent surveys indicate that more substantial portions of the Jordanian population support aspects of economic restructuring, their endorsements are clearly driven by a conception of change that promotes new job creation, better goods and lower prices. In a country with scarce resources and chronic water shortages but desiring to promote domestic production over external sources of revenue, sustained and dependable sources of outside help and access to markets remain critical if Jordan’s economic goals are to be realized. Add to this equation a fear of regional violence and terrorism that brings with it an accompanying drop in tourism, foreign investment and exports and the motivations behind Jordan’s choice to side openly with the West become clearer still.

IMPLICATIONS

Though it would be an overstatement to conclude that economic and budgetary factors were the sole elements driving Jordanian foreign policy and specifically its recent decision to ally

so strongly with the US against terror, increasingly it appears that any explanation is markedly incomplete without these considerations. Not only has economic development become a key priority of King Abdullah’s agenda but Jordan is also unquestionably engaged in an attempt to move its economic base toward more domestic production and into the global market instead of relying so heavily on external rents and state-controlled enterprises. This shift is both economically ambitious and politically sensitive: for years, Palestinians have dominated the weak private sector while East Bank Jordanians have controlled state-owned entities. Changes in economic emphasis inevitably now mean struggles to retain political power and the potential for changes in who wields power. Early signs of this came as King Abdullah sought to strengthen his own hold on the throne. His creation of a new Economic Consultative Council (ECC) to provide advice on economic policy includes many of the country’s young economic elite and is accountable only to the King. Increasingly, the ECC’s power is seen as exceeding that of the formal government (there is now overlap between the ECC and the Abu Ragheb cabinet) and while its mandate is focused on the economy, its range of influence now extends deep into all realms of the country’s affairs. The “economization” of a new elite hand picked by the King and serving at his discretion may be underway (Schlumberger and Bank 2001-2002). For Jordan to manage such complex and delicate processes with any prospects of success, its leadership has seemingly concluded that support from the West and particularly the US is critical and can be assured only if Jordan’s policies are geared to court it. In a

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32 As a further example of this point, Jordan’s newly appointed ambassador to the US, Karim Kawar, is an IT entrepreneur and friend of Abdullah whose only prior political experience was sitting on the ECC. His appointment makes the first time the post has been assigned to someone with primarily business as opposed to political experience.
climate punctuated by terror, Jordan’s aims are imperiled and the country itself need not be a target for many of the damaging effects to be felt. Political violence directed at the US that carries with it a critique of Arab regimes it supports as illegitimate, corrupt, and directly responsible for the many impoverished in the region poses a threat to Jordan at many different levels.

But because policy is not made on the basis of a single set of factors, when one looks further into Jordan’s situation, real dilemmas emerge. Close relations with a US government that is staunchly supportive of Israel’s fight against the Palestinians and determined to bring about regime change in Iraq inevitably associates Jordan with these initiatives, especially in the minds of a public that largely disapproves of American means if not its goals altogether. Even granting that an identity shift may be underway within both leadership and public that motivates more Jordanians to evaluate the Palestinian and Iraqi issues from state-centric as opposed to Arabist perspectives, the monarchy must still weigh the domestic reactions to America’s hegemonic meddling in these cases with care. Jordan’s leaders ultimately have little capacity to influence the American foreign policymaking process and assuredly, hostility to American moves in the region will be directed eventually at the Jordanian government that has failed to stand with the population. In the past, this dynamic has led the regime to suppress domestic expression and further jeopardize political liberalization; indeed, Jordan’s processes of political liberalization have long been tied to foreign policy developments in these issue areas (Brand 1999). Recent decisions by King Abdullah to postpone parliamentary elections and endorse a revised electoral law that does little to address domestic concerns are disquieting developments in themselves, but they also signal continuity with past trends. Only if the region is relatively quiet (and the regime can satisfy itself that an Islamist opposition will not prevail) may legislative elections be held in
2002. Moreover, according to the regime’s explanations for the continuity in the electoral arrangements, only when the Palestinian issue is resolved might Jordan’s system of political representation begin to reflect popular will. Add to these recent setbacks the continued tough press restrictions and high profile trials of critics like Toujan Faisal who speak out against the government and the climate for political openness in Jordan is further chilled. While al-Qaeda’s ideology does not suggest a democratic alternative, the continuing repressive, dynastic and patriarchal tendencies of a Jordanian regime pursuing unpopular foreign policies gives voice to some of its claims. More directly, Jordan’s search for economic stability and budget security is further undermining efforts at democratization that both Jordanian and American leaders rhetorically support and that much of the population clearly desires.

In the end, Jordan is unlike many other Arab states in that it does not face a direct Islamic “threat”—relations between the monarchy and its Islamist critics, while often tense, have never yet tended toward political extremism. Nor does the Jordanian regime today face any imminent danger from Palestinian nationalists, as it once feared in the early days of the PLO. Indeed, prevailing assessments of Abdullah’s position indicate he has stabilized himself as monarch and is not directly threatened unless domestic or regional conditions change dramatically. But Jordan is like many of its regional neighbors in that it con-

fronts a longer-term future in which large numbers of its young citizens will seek political opportunities and higher standards of living while continuing to shape an identity for themselves and their communities that is bounded by historical and cultural traditions. As they pursue these aims, they will inevitably want and expect the country’s leaders to facilitate these activities economically and not hinder them politically. Recent upsurges in regional tensions that have helped significantly alter the course and pace of democratic change in Jordan and elsewhere in the region have sounded alarms about the future ramifications of such developments. Moreover, the goals of people in Jordan and elsewhere in the Arab world will be shaped in an external environment led for the foreseeable future by US power that some regard as stronger and more widely influential than any hegemony the world has ever known (Wohlford 1994). Jordan is risking a great deal politically and hoping for a great deal economically in exchange for accommodating American priorities in the region. But because it is powerless to influence the directions of US policy, its choices may yet force the country to accede to ever-greater American demands for support against Iraq or compliance in the face of American-endorsed Israeli moves against the Palestinians. Thus far, Jordan’s leadership typically responds publicly only to what it can support of America’s initiatives in these arenas and tries to ignore all that creates policy dilemmas. Before long, however, Jordan may be

37 For an interesting account of such issues in a Saudi context, see Mai Yamani, Changed Identities: The Challenge of a New Generation in Saudi Arabia (London: The Royal Institute of International Affairs, 2000).
39 For example, rumors have started to spread throughout the country that Jordan may become a staging area for US troops invading Iraq. See “Jordan Rejects Report Its Territory May Be A Launch Pad for Iraq Attack,” The Jordan Times 8 July 2002.
dilemmas. Before long, however, Jordan may be forced to choose sides again and it is not a certainty it would (or could) side with its population when the moment arises this time. Terrorism and the responses of nations to it are themselves part of this larger dynamic, though they may not always be seen in this light. Jordan's reactions to the perils posed by al-Qaeda have less to do with immediate security concerns than with long-term strategic ad economic calculations. How small, relatively vulnerable Arab countries like Jordan now respond to the dilemmas posed by these dynamics will certainly affect the long-term prospects of the country, the region, and perhaps America's place in the world as well.

REFERENCES


