

THE FACTS ABOUT THE ARAB SPRING ARE IN: IT'S A MASSIVE ECONOMIC REVOLUTION

THE TUNISIAN REPORT

The Arab Spring was ignited in December 2010 with the self-immolation of the Tunisian fruit vendor Mohamed Bouazizi. The press confirmed that he had committed suicide after having been slapped around by police as they expropriated his wares and put him out of business. Millions took to the streets in all MENA countries, and soon the conventional wisdom was that the Arab Spring was a revolution against dictators who did not respect the dignity of their own citizens. Toppling those dictatorships, the argument went, would stabilize MENA countries because elected authorities would respect the dignity of their people and thus do away with the motivation for the uprising.

Discontent

Stability, however, has yet to be achieved: the streets remain full of unhappy people. And that's mainly because the conventional wisdom focused on political rights and ignored economic rights – overlooking the importance of property and business rights for the hundreds of millions of Arabs who, like Bouazizi, run businesses and hold assets in extralegal markets. To be sure, authorities had personally abused Bouazizi. What's less obvious is that a mere slap in the face – the lack of political rights – would drive a man to set himself on fire in protest.

The Economic Motivation

It is much easier to understand Bouazizi's tragic suicide if you focus on his economic rights, and realize that he practically had none: As an extralegal entrepreneur, Bouazizi's ability to hold assets and do business depended mostly on the personal goodwill of local authorities. Once they arbitrarily decided to take away this crony protection, Bouazizi was immediately ruined: He had no profits to feed his family; since he could no longer repay the loans he had taken to buy the confiscated merchandise, he was also bankrupt and thus no longer creditworthy; nor could he sell his business and move elsewhere because he had no documented legal person that he could pass on to buyers; he couldn't get a fresh injection of capital because he had no right to issue shares.

Understanding that authorities had left him poor, broke, bankrupt and not creditworthy – altogether ruined – helps explain why a man might choose to end his life in a blazing protest – and why the Arab Spring is about more than slaps.

Findings

That's why the ILD – with more than 25 years of experience studying the plight of extralegal entrepreneurs worldwide, including the past 10 years in the Middle East—quickly recognized that the Arab Spring could be about more than a slap at human dignity; that Bouazizi might be representative of an emerging Arab underclass that runs businesses and occupies property but without the legal means to generate capital, guarantee credit and create additional value. To find out more about the economic facts behind the Arab Spring, we dispatched a team of researchers into the region in April 2011 to interview those who dared to rise against established authority. Given these circumstances, we knew people would be willing to talk. By December 2011, our research yielded the four facts in the adjoining column.

Positive Response from Political Leaders and Media

Once these results were published in newspapers and magazines around the world and in the MENA region the ILD was soon summoned by a number of MENA's new political leaders to discuss or begin outlining the necessary reforms.

FACTS

FACT 1

The act of self-immolation by Mohamed Bouazizi on 17 December, 2010 was not an isolated gesture. It was not just one person who set himself on fire, it ignited a firestorm. The ILD discovered that at least 63 more men and women throughout MENA tried to do the same as an act of public protest within 60 days of his immolation.

60
DAYS
64

EXTRALEGAL
BUSINESS PEOPLE

IGNITED THE ARAB SPRING

FACT 2

All 64 self-immolators were extralegal businesspeople. None of their dying words included religious or political content, but instead reflected economic concerns.



FACT 3

The principal reason given by all self-immolators for committing suicide was "expropriation". Legal property is a bundle of separately protected rights: the right to own, to sell, to buy and to pledge for credit or capital. In the extralegal world the right to property is determined by one authority, which, when he takes away the right to own, all the other rights also disappear.

FACT 4

MENA governments do not yet have the tools to gather the information needed for understanding and changing the status quo, nor the ability to provide extralegal businesses with the tools to:

380
MILLION

ARABS DEPEND ON
INCOME FROM
OPERATING
BUSINESSES OR
OCCUPYING
PROPERTY WITHOUT
THE PROTECTION OF
THE RULE OF LAW

- Capture new investment by issuing shares
- Raise capital by bringing in new partners
- Raise financing by issuing bills and notes
- Expand markets beyond family and neighborhood
- Protect personal, family or communal assets by limiting liability
- Use reputation and property as information and collateral for credit

62
MAJOR
ARTICLES

All four facts were published in 62 major media articles throughout MENA and worldwide.



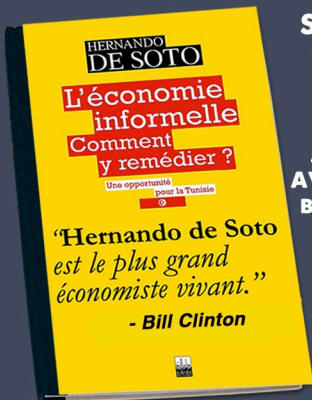
Growing Awareness of Findings

By the middle of 2012, with dissatisfaction with the progress of reform growing in the streets, political and private sector leaders asked the ILD to also help them promote debate and awareness about the economic underpinnings of the revolution to a wider audience.

To this effect the ILD summarized its findings in a first book called "Fixing the Tunisian Informal Economy" and republished its classic philosophy in "The Mystery of Capital". The new book provides new and deeper insight into the plight and motivations of people living in the extralegal economy, how they can be brought into the formal economy, and the opportunity this presents for Tunisians.

"FIXING THE TUNISIAN INFORMAL ECONOMY"

(Ceres edition) contains UTICA and ILD's findings and the plan for ending economic apartheid.



SOLD AS A BOXSET, BOTH BOOKS ARE NOW AVAILABLE IN BOOKSTORES ACROSS TUNISIA



"THE MYSTERY OF CAPITAL"

(Flammarion edition) contains the economic theory that underpins the plan.

TUNISIAN POLITICAL AND BUSINESS LEADERS OPENED THE DEBATE OVER THREE DAYS IN DECEMBER



Day 1: Book Launch + ILD-UTICA Conference in Tunis

700 POLITICAL AND BUSINESS LEADERS DISCUSSED THE UTICA AND ILD'S FINDINGS AND THEIR PLAN TO DO AWAY WITH ECONOMIC APARTHEID.



Day 1: Pannel Discussions

RIGHT TO LEFT: H. JEBALI (PRIME MINISTER OF TUNISIA), O. BOUCHAMAQUI (PRESIDENT OF UTICA), H. DE SOTO.



Day 2: Media Tour

TV AND RADIO PROGRAMS, SOCIAL MEDIA LEADER WORKSHOPS, OPPOSITION POLITICAL PARTIES, CIVIC AND GRASSROOTS ORGANIZATIONS.



Day 3: University Debates

DEBATING OF ILD FINDINGS AND PROPOSALS WITH TUNISIAN UNIVERSITIES.

Spreading the Message

This debate began in Tunisia on December 15, 2012, when the ILD, in association with UTICA, (Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat), an organization that represents 300,000 legal entrepreneurs, published a book making the case for the economic dimensions of the Arab Spring along with a detailed plan for ending economic apartheid. "Fixing Tunisia's Informal Economy" was launched at a UTICA-ILD conference in Tunis, keynoted by Prime Minister H. Jebali and attended by 700 business and political leaders. Three days of meetings and discussions with opinion makers followed.

"THE GOVERNMENT WILL SPARE NO EFFORTS TO IMPLEMENT THE ILD-UTICA RECOMMENDATIONS. INFORMALITY IS ONE OF THE MAIN CHALLENGES WE FACE. THESE RECOMMENDATIONS WILL HELP THE TUNISIAN GOVERNMENT MAKE THE NECESSARY REFORMS."

+ PRIME MINISTER HAMADI JEBALI



"THE INFORMAL ECONOMY WILL BE THE FIRST CHALLENGE FOR TRANSFORMATION"

+ PRESIDENT OF UTICA, OUIDED BOUCHAMAQUI

"(AS THE UTICA AND ILD PROPOSE) WE HAVE TO FIND SOLUTIONS TO STRUCTURE AND ORGANIZE THE INFORMAL ECONOMY. WE'LL MAKE IT SO THEY'LL WANT TO JOIN THE FORMAL ECONOMY"

+ TUNISIA MINISTER OF ECONOMY, RIDHA SAIDI



MAJOR MEDIA IN TUNISIA HAS ECHOED OUR APPROACH AND FINDINGS



MAJOR MEDIA IN ALGERIA HAS ECHOED OUR APPROACH AND FINDINGS



MAJOR MEDIA IN EGYPT HAS ECHOED OUR APPROACH AND FINDINGS

The secret to reviving the Arab Spring's promise: Property rights

The protests that toppled governments were fueled by anger over the lack of a basic element in market economies

At a time when the Arab Spring is being hailed as the most significant event since the end of World War II, it is worth asking whether the Arab Spring was a revolution or a protest. The answer, it seems, lies in the nature of the demands that were made. The Arab Spring was a protest, not a revolution. It was a protest against the lack of a basic element in market economies: property rights.



HERNANDO DE SOTO

At a time when the Arab Spring is being hailed as the most significant event since the end of World War II, it is worth asking whether the Arab Spring was a revolution or a protest. The answer, it seems, lies in the nature of the demands that were made. The Arab Spring was a protest, not a revolution. It was a protest against the lack of a basic element in market economies: property rights.

DAILY NEWS

Some other research highlights: Mohamed Fouad's brother, Mohamed Fouad, was found to be the owner of the property in question. He was also in Algeria, Egypt, Morocco, Tunisia and other countries.

٣٥٠ مليار دولار حجم الاقتصاد المصري غير الرسمي

البحر

بحسب تقديرات خبراء اقتصاديين، فإن حجم الاقتصاد المصري غير الرسمي يبلغ ٣٥٠ مليار دولار. هذا الرقم يمثل نسبة كبيرة من الناتج المحلي الإجمالي للمصرى.



أحمد هاشم

في حديثه لبرنامج "البحر" على قناة "البحر"، ناقش أحمد هاشم، الخبير الاقتصادي، حجم الاقتصاد غير الرسمي في مصر.他指出، هذا القطاع يشكل تحديًا كبيرًا للحكومة المصرية في تحقيق التنمية الاقتصادية.

الوفد



في حديثه لبرنامج "الوفد" على قناة "الوفد"، ناقش أحمد هاشم، الخبير الاقتصادي، حجم الاقتصاد غير الرسمي في مصر.他指出، هذا القطاع يشكل تحديًا كبيرًا للحكومة المصرية في تحقيق التنمية الاقتصادية.

اتحاد الصناعات يتوقع تحصيل مائتي مليار جنيه سنوياً في حال ترسيم الصناعات الموازية

مطلب تملك الأصول الخارية للمتقنين وتقديم خدمات إقراض مسرعة للمواطنين في القطاع



هشام بدر

