

IMF austerity provokes bread riots in Jordan

by Our Special Correspondent

It is recounted in the history books that, when Marie Antoinette was informed of the fact that the people of Paris were suffering because they did not have bread, she said matter-of-factly, "Let them eat cake." Apparently, that attitude runs through royal veins, even across the centuries. As riots broke out in the Hashemite Kingdom of Jordan on Aug. 16, leading spokesmen for the government displayed about the same quality of comprehension of the reality in which most of their citizens live as the poor French queen who lost her head. This is not to say, that bloody events like those which wracked France in 1789 are destined to be repeated on the stage of the Middle East; it is eminently within the powers of the ruling government, not to mention King Hussein himself, to ward off disaster, by reversing the process which has led to such a perilous threshold. Whether or not the elites choose to follow this prudent course, and defuse social tensions in a region of growing instability, could determine the future of the institutional set-up in Jordan today.

What set off the most serious riots in Jordan since 1989, was the announcement by the government of Prime Minister Abdul Karim Kabariti, that state subsidies on bread and animal fodder, would be lifted, in accordance with the dictates of the International Monetary Fund (IMF), which has been running the country's Structural Adjustment Program (SAP). The price rises, which were implemented on Aug. 13 after months of political haggling, were to be offset by cash subsidies, which, however, were not adequate. Citizens were being forced to pay out three times as much for bread (220 fils instead of 80 fils), and were promised a subsidy which would cover one-third the price. It was not only bread, which is the staple of the population's diet, which was hit, but feed for animals as well. The cash rebate promised to livestock owners, was limited to those with fewer than 100 head of cattle or camels, and the amount given would not suffice to pay for

feed. As some employers tried to compensate for greater strains on their employees' purses, by increasing salaries, a general wave of inflationary rises swept across the market. All food items, medicines, even those produced domestically, clothing, etc., shot up in price overnight.

No wonder riots broke out. On Friday, Aug. 9, following prayers, Jordanians flowed out of the mosques and into the streets of three major cities in the south, Tafila, Maan, and Karak, to protest the IMF measures. According to eyewitness reports, demonstrators denounced the IMF, and called for the liberation of Laith Shubeilat, the popular former member of Parliament, currently in prison, who has championed the cause of Jordanian sovereignty against the dictates of the IMF. Tafila is Shubeilat's home town, a place where the 1989 protests also had taken place. In these southern areas, large parts of the population are engaged in agriculture and livestock breeding. Thus, among those taking to the streets were bedouins from local tribes, who found that, with the price hikes for fodder, they would no longer be able to keep their herds. On the meat markets, it became clear that farmers were slaughtering their animals, as a result, and that meat prices had plummeted 30% in a matter of days.

The 'iron fist'

King Hussein immediately mobilized the Army and police units to face the rioters, fortunately without any confrontations leading to casualties. His Majesty personally hastened to the scene of the worst riots, in Karak. In a statement taped during the night of Friday into Saturday morning, the King promised that he would use an "iron fist" to quell the protest. The military and police moved in armored vehicles through the crowds, using tear gas. Rioters set fire to public and private buildings, among them numerous banks, and overturned and burned cars. Despite the massive deployment of the forces of

order, the riots continued for several days, and reportedly spread to cities of the north, like the capital Amman, Irbid, Salt, and Zarqa. Hundreds of arrests were carried out, and protesters were held for interrogation. Parliament, which had been paralyzed for two weeks by 23 deputies of the opposition, who were committed to a showdown with the government in that forum, was unceremoniously shut down by the King. Thus the extraordinary session was terminated, and no further session is to be called before October. A curfew was imposed, to prevent further outbreaks of violence.

After having come down, as he had promised, with an iron fist, the King began to adopt a more conciliatory stance, leading many press outlets to speculate that a compromise solution might be in the wings. Although King Hussein made clear that he would not accede to popular demands for the measures to be revoked and/or the prime minister to be fired, he did make gestures indicating a desire to cool down tempers.

On Aug. 21, the King invited a group of MPs from the opposition to lunch, during which they presented him their official demands, that the subsidized prices be restored, and that "prisoners of conscience," persons who have opposed the IMF policy, be released. The following day, the King hosted the entire parliament at the Royal Palace for lunch. The meetings were presented as events which had "turned over a new leaf" in relations between the monarchy and the opposition. At the same time, the curfew was lifted and reports began to indicate that some of the hundreds of persons detained, were being released, one by one. A mass demonstration of "1 million hungry men," announced by the opposition Islamic Action Front for Aug. 23 in Amman, was cancelled just one day before the scheduled rally, after the authorities denied the demonstrators a permit. Thus, the iron fist was still being used, albeit in a glove.

A shaky truce

If the situation were apparently under control one week after the riots, there was no guarantee that the truce would hold. The main obstacle to overcoming the crisis lay in the refusal, on the part of the country's elites, to look reality in the face. This was evident in the first statements to be issued after the disturbances, which attributed responsibility for the riots to "outside agitators," in this case, the "sympathizers of Saddam Hussein inside Jordan," the "Baath Party of Jordan," a tiny political party with one member of parliament, the Palestinian group of Hawatmeh, and the like.

Instead, the responsibility for the chaos lies squarely in the hands of the IMF, which has placed inordinate pressure on Jordan to comply with its SAP, and which, on Aug. 21, released a \$60 million loan to "encourage" government policy. The previous government, under Prime Minister Ben Shakr, which resigned in February, had made a commitment to the IMF to cut the bread subsidies and to compensate for them by a cash rebate. The terms of agreement were contained in the December 1995 letter of intent. In June 1996, as the

new Kabariti government approached further talks with the IMF, that international body demanded that Jordan immediately lift subsidies, threatening that any failure to impose the drastic measures all at once, would result in international isolation. "The IMF told Jordan," according to one source, "that it would cancel its program if we did not comply. That means, it would stop foreign aid, prevent extension of soft loans, and make sure there would be no negotiations, for example, with the Paris Club, for any debt rescheduling."

The irony is, everyone in the country has acknowledged IMF responsibility for a situation in which 3.8 million out of a population of 4.3 million live below the poverty line. The rioters in the streets damned the IMF. Even economists close to the government, official press editors, and others, who continue to support the IMF policy, at least acknowledge the fact that the social explosion was catalyzed by the brutal implementation of these measures. Only the government and the Crown place the blame elsewhere.

Freedom for Shubeilat?

Yet, there is no doubt that the highest echelons of power in Jordan know what is going on. There are hints, that they may be searching for the means with which to extricate themselves from the mess, without alienating the international bankers completely, and without provoking a social revolution. Just days after the riots broke out, on Aug. 19, rumors started circulating in Amman, that the King, though committed to defending the subsidy cuts, was mooted the formation of a Commission of Inquiry to examine the economic and social condition of the population. Recalling the 1989 demonstrations, one Jordanian newsman told *EIR*, he thought the King might choose a similar line of action: "Remember, the response of the King to economic protests at that time, was political; he introduced elections and allowed the formations of political parties." Now, too, it is thought that the King could establish a Commission of Inquiry, with a mandate to seek ways of "improving the margin of freedom." Such a commission could "draw up a national economic program for the next ten years, identifying clear priorities." For such a commission to enjoy any credibility whatsoever, it would have to include personalities identified with the fight for defending Jordan's economic self-interest. The undisputed leader in question is Laith Shubeilat, currently in prison. Among the "crimes" of Shubeilat, for which he is serving a three-year sentence, is that he spoke out against the danger that, were the IMF policy to be imposed, it would mean robbing the people of their bread. Shubeilat forecast, in speeches and articles at the end of last year, when the IMF was drawing up its letter of intent, that the measures would destroy the national economy, and that a starved, desperate population would rise up in protest, as it had in 1989. Shubeilat was accused of having "destabilized the national economy and currency" with his scientifically precise forecasts.

Now, with the dramatic turn of events, Amman is rife with

talk, that Shubeilat might be liberated. In response to the first rumors in this direction, the jailed Islamist issued a statement, saying he would not leave prison, unless other "prisoners of conscience" who share his views, were also released. Now, there is being mooted, that Shubeilat and about 50 others will be freed, and that the anti-IMF standard-bearer might be invited to sit on the Commission of Inquiry, to draw up a national economic program. As one astute observer put it, "Shubeilat should be freed, but his freedom will not fill people's stomachs. What we need is real democracy, and a completely national, economic policy, independent of the IMF."

The other curious hint, that the elites have a pretty good idea of how the game is being played, appeared in a column Aug. 17 by Jordanian syndicated columnist and economist Dr. Fahed Fanek. Known to share and support the views of the government, Dr. Fanek penned an article published not only in Jordan's *Al Ra'i*, but in *Al Arab*, and leading dailies in Lebanon, Morocco, Yemen, and Algeria, which blasted a British conspiracy against Jordan. Fanek accused British journalist David Hirst of having "urged" the Jordanian population to revolt against the King. "The *Guardian*," he wrote, recently published a report dripping with poison, by its Amman correspondent, David Hirst. The article was entitled, 'King Hussein Faces a Revolution.' " Fanek wrote that, if domestic opposition to the economic measures in Jordan were understandable,

"this Englishman's stance is difficult to understand." Fanek said he was reminded of those "who regard the English as the source of all evil in the world," and added that this was a "stance shared by the American LaRouche group, which believes that an English premeditated and planned 'finger' lies behind any trouble, war, and destruction in the world." Although Fanek's characterization of LaRouche's views on the British here is somewhat crude, it is no exaggeration to assert that those leading the effort to destabilize the Middle East, are the British. Reached by *EIR* on Aug. 19, Dr. Fanek reiterated his conviction: "He is not a neutral observer," Fanek commented, "he is not someone making an analysis."

There is a way out for Jordan, but it is one which requires unusual political foresight and courage. It requires the liberation and full rehabilitation of Laith Shubeilat, the man who has staked his political and personal reputation on defending the nation from supranational, oligarchical IMF control. It requires a serious rethinking of economic policy, perhaps through the suggested Commission of Inquiry or another vehicle; rethinking which recognizes the devastation which IMF and World Bank policies have wrought on the economy, not only of Jordan, but of the Palestinian Authority and the entire region, under the promise of "peace." It requires the courage to reverse the deleterious measures, in defense of the living standard of the population.

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