

# US-backed monarchy loots Jordan amid continuing protests

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Last January, angry protesters took to the streets of Amman and other towns and cities in Jordan to demand an end to rising prices, unemployment, nepotism and corruption, and to call for political reform.

Protesters wanted a government elected by the people and accountable to them, with curbs on the powers of the king, the intelligence service and military courts. Small demonstrations and protests have continued, although largely unreported, on a weekly basis.

Jordan was carved out of the former Syrian province of the Ottoman Empire by British imperialism in the aftermath of World War I, as a frontline state to defend Britain's strategic interests in the oil rich region. It would be ruled by the Hashemite family from the Hejaz in what is now Saudi Arabia. The Hashemite monarchy has from the very beginning been dependent upon aid—first from Britain and, since 1957, from the United States. Washington currently provides almost half the state budget.

Since 1998, and particularly since the Iraq war, US aid—both economic and military—to Jordan more than tripled, from \$223 million a year to \$912 million in 2008.

These are only the baseline figures, moreover. There are several other means by which the US Congress can and does provide aid to Jordan's King Abdullah. Last year, Congress endorsed \$150 million in supplemental aid, which, according to the *Jordan Times*, boosted total aid from all sources, including aid from the Gulf States and the European Union, to \$1.3 billion.

Such "aid" has nothing to do with economic development. It is to offset some of the costs of suppressing the Palestinian people and supporting the US war in Iraq, which had a disastrous impact on the Jordanian economy. Nearly one million Iraqis fled to Jordan. The country also acts as a hub for Washington's extraordinary rendition programme, and latterly sent security forces to help suppress the uprising in Bahrain.

While Jordan maintains that there are no US military bases in the country, it is known that Washington has secretly deployed thousands of troops on Jordan's borders with Iraq and Syria. Its embassy, in an upscale suburb of Amman, is a military fortress

directing activities in the region. Just photographing it can lead to arrest.

The full extent of aid to Jordan is not published. Were it known, a recent article in *Jordan Business* noted, it would prompt questions as to where it all goes.

King Abdullah, who inherited the throne from his father twelve years ago, rules as an absolute monarch. He appoints the prime minister, dissolves the parliament and calls elections only when it suits him. To criticise him in casual conversation is to court arrest.

The monarchy has maintained its rule by pitting the local Arab population against the Palestinian refugees who make up about half, if not more, of the population. While a few have become exceedingly rich, the vast majority are brutally exploited and largely deprived of political rights.

Palestinians who left after 1988 when Jordan relinquished claim to the West Bank do not qualify for Jordanian citizenship, making them even more vulnerable. The Jordanian army and security services are drawn largely from among non-Palestinians.

Abdullah presides over a corrupt social layer that has amassed untold riches at the expense of the vast majority of the Jordanian people. Over the last few years, there have been a series of pyramid schemes, similar to the Madoff scandal. Signs of corruption are everywhere.

The giant Abdali development project epitomises this. Formerly a military camp in downtown Amman, Abdali once had 50 percent of all Jordan's construction cranes. Billing it as "a new downtown [and a] lifestyle of global connectivity and cultural significance," Mawared, the military authority, awarded the contracts to a host of Gulf-based companies at knock down prices. They include Solidere, the company owned by Lebanon's Hariri family that is rebuilding downtown Beirut. Regulations governing buying and selling finished properties were relaxed to minimise the risks and maximise the returns for investors.

Now the project is virtually at a standstill, and Mawared is now the subject of official investigation. Technically owned by the military, its board of directors is chaired by the king and the proceeds go to the military's pension fund and other supposedly

military-related projects. No one believes that anything will come of the investigation, even if prosecutions and convictions follow.

One of the two corruption cases that dominated the news for weeks concerned Khaleed Shaheed, a prominent businessman. He was one of the few to be convicted and jailed for bribery and corruption. But just months later, he was allowed to travel to the US for medical treatment, only to turn up well in an expensive London restaurant. Such was the furore that the two ministers responsible for his release were forced to resign.

The newly-appointed prime-minister, Marouf Bakhit, only narrowly survived a vote to impeach him over his role in 2007 in sanctioning the building of a casino near the Dead Sea. The deal was cancelled almost immediately and then renegotiated the following year, making it unclear whether the corruption lay in the original deal and/or its cancellation. Several ministers quit Bakhit's cabinet in protest at his exoneration.

Abdullah has embraced the free market with gusto, even beating Israel, the United Arab Emirates and Lebanon in terms of enthusiasm. Jordan, with few natural resources, is highly dependent upon real estate, construction, financial services and tourism. The removal or reduction of subsidies, privatisation, regressive consumer taxes, free trade agreements and special economic zones, while creating several billionaires, has made it difficult for most Jordanians to make ends meet.

Amman, the capital where more than one-third of Jordan's 6.5 million people live, is one of the most expensive cities in the Middle East. Inflation is running at nearly five percent a year, largely due to rampant property speculation and the rising cost of oil and food.

Amman is also one of the most polarised cities in the world. In the west, there are numerous exclusive offices in the form of high rise glass towers, beautiful villas, gated communities and enclaves for the very rich.

In the east, there is low-income, slum housing, largely populated by successive waves of Palestinian refugees. Overcrowding is widespread, and it is not uncommon for two families to share a tiny apartment.

While GDP has risen by about six to seven percent a year over the last 10 years, this has only benefited a thin layer. Unemployment is officially 12.5 percent, but is widely believed to be nearer 30 percent, mostly outside the capital. Young people—70 percent of the population are under the age of 30—are particularly badly affected.

One quarter of the population lives in poverty. Jobs are not well paid. The minimum wage is \$211 a month. Teachers get about \$400 a month. It is not uncommon for well-qualified people to have two jobs. In July, pharmacists went on strike for higher pay. Only unionised workers are allowed to strike and then only with

government permission.

The political unrest throughout the region has been an economic disaster for Jordan as tourism, the source of 12 percent of its GDP, has plummeted. No more than a handful of people, mainly from the Gulf, are to be found in the hotels.

Over the years, the desperate economic situation has led more than a million Jordanians, or a quarter of the workforce, to seek work overseas, mainly in the Gulf. This makes Jordan one of the largest suppliers of skilled labour in the world. Working in relatively well-paid white-collar jobs, the remittances they send home provide a vital lifeline for their families.

At the same time, Jordan has about 700,000 migrant workers, mainly from Egypt, Syria and the Indian subcontinent, who take up low-paid work in the construction industry and the Qualified Industrial Zones. There are a further 300,000 domestic workers from Indonesia, the Philippines and Sri Lanka.

These were the conditions—not so very different from the rest of the Middle East—that sparked mass demonstrations in January. Abdullah was able to forestall the spread of the mass movement that saw the overthrow of Tunisia's Ben Ali and Egypt's Hosni Mubarak by announcing a \$500 million package of subsidies for basic commodities, appointing a new prime minister, and promising a "National Dialogue" to listen to the people's demands.

The deepening political and economic crisis has forced Abdullah to seek help from his neighbour, Saudi Arabia, and membership of the Gulf Cooperation Council to provide reinforcements in case of further unrest. His recent announcement of a few cosmetic changes to the constitution that fall far short of what was promised has been met with near-universal scepticism.



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