

Jordan

Amy Henderson & Dr. Paul Pasch

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- Two years after his succession to the throne, King Abdullah's reign has secured a national sense of continuity. Though the young king has adopted a style of rule very different from his father's, his emphasis focuses clearly on domestic concerns.
- With the dismissal of Samih Battikhi as chief of the General Intelligence Department last November, the period of transition seems to have come to an end. For the time being the battle between the traditional old guard and an emerging generation of reformists seems to be won by the forces that strive for modernization, as already indicated in the change of government in June 2000 from that of Abdour Ra'uf Rawabdeh, a traditional and tribal figure, to that of Ali Abul Ragheb, a liberal business man.
- The monarch's domestic and economic challenges are many: One in three Jordanians live in poverty, around 20 per cent of the work force is jobless, the massive external debt equals 90 per cent of GDP and requires an annual debt servicing of 8.6 per cent of GDP, GDP per capita is at \$ 1,645, economic growth has stagnated and is with 1.3 per cent much too low to cope with a population growth of 3.0 per cent.
- To tackle Jordan's economic problems and create growth in a poor country with few resources, the king has set up the Economic Consultancy Council with the aim to promote such sectors as IT, tourism, fertilisers, pharmaceuticals, service industries, privatisation of telecommunications and state companies, improvement of the educational system, boosting foreign direct investment and thus focusing on export-oriented growth.
- The creation of the Economic Consultancy Council has galvanised unprecedented activism in the younger rank and file of the private sector, who were frustrated by outdated governmental policies that had seemed cemented in place, and unwilling or unable to accommodate the requirements of globalisation.
- The energies that King Abdullah reserves for the diplomatic front have mainly been channelled towards redefining Jordan's Palestinean legacy, restoring ties with neighbouring Arab countries, with which he is urging regional economic cooperation, and towards lobbying Western countries for economic support through vehicles such as Jordan's membership in the World Trade Organisation, the free trade agreement with the United States and the continued support of the Bretton Woods institutions.
- Within two years King Abdullah has managed to both provoke and placate Iraq; by restoring Jordan's ties with Gulf Arab states and by advocating the lifting of UN sanctions on Iraq in international and regional fora. Jordan became the first Arab country to dispatch a prime minister to Iraq since crippling sanctions were imposed one decade ago. Furthermore, the young monarch has tried to develop a policy of rapprochement towards the Syria of the late President Hafez Al Assad and in the meantime has established a functioning collegial working relation with Bashar Al Assad. At the same time the king doesn't preach normalization with Israel, but nevertheless, even despite the Al Aqsa Intifada, he maintains strong links with both his immediate neighbours to the west – Israel and the Palestinean Authority.

King Abdullah Ibn Al Hussein II

King Abdullah II succeeded to the throne in February 1999, following the 47-year reign of his father, King Hussein. King Hussein's rule was marked by shrewd diplomacy and statesmanship abroad and a populist approach at home that earned him the affection of and moral authority over his people. For 34 years, King Hussein groomed his brother, Prince Hassan, as his heir apparent to the Hashemite dynasty, but days before his death, opted to be succeeded by his first-born son, Abdullah, a major general in the Jordanian special forces, who was considered at that time an unknown political quantity.

From the outset of his reign, King Abdullah, now 38, set about defining a distinctive style of rule and appeared keen to make a distinction between his priorities and those of his late father. In one of his first interviews with an international broadcaster, he told audiences around the world: „I am not my father.“

King Abdullah came to power relieved of his father's Palestinian legacy and with a will to release the regime of its traditional reliance on tribal support. And, as opposed to King Hussein, who in his later years was preoccupied with diplomacy – particularly solidifying the historic 1994 peace treaty between Jordan and Israel that has proven unpopular on the street – King Abdullah has shifted his focus to domestic concerns.

While he maintains his father's pro-Western bent and is an unwavering advocate of the peace treaty, he has tended to emphasise economic reform, growth and development, complemented by educational and some political reforms at home. Along with this he

speaks openly about the absolute necessity to reform the state bureaucracy – which employs 40 per cent of the work force – to cut state expenses and entice foreign investors. These priorities are appreciated by the public, but must bear fruit quickly to preclude the chances for social unrest.

Much to the chagrin of his advisors, the monarch has undertaken several incognito visits to state institutions to gain a better understanding of citizen's complaints about the bureaucracy of state institutions. He has also made the lot of the poor a top concern. Enlisting the help of his wife, Queen Rania, the two have made the rounds to the farthest and most impoverished reaches of the country to hear the worries and needs of citizens and have attempted to respond by providing increased services and infrastructure in these areas.

Another priority is the engagement of the country's disenfranchised youth and young adults. More than 50 per cent of the Kingdom's population is under the age of 30, although most feel alienated from the ideals of the ruling establishment. King Abdullah has approached this segment of the population in helping set the priority for reform and development, which will, in the long run, constitute a much-needed new base of political support.

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ganisation and a free trade agreement with the United States and the continued support of the Bretton Woods institutions.

Significantly, the young monarch has tried to relegate the epic rivalry between his father and the late Syrian President Hafez Al Assad to the annals of history. While the mutual suspicion between the two countries has subsided somewhat and the overall results of the rapprochement efforts have borne some fruit in economic co-operation, political initiatives have been minimal.

Relations with neighbouring Iraq, Jordan's erstwhile largest bilateral trading partner, reached their nadir during the reign of King Hussein, who went as far as calling for the overthrow of the Iraqi regime. Within the span of a year and a half, King Abdullah has managed to both provoke and placate Iraq; by restoring Jordan's ties with Gulf Arab states and by advocating the lifting of UN sanctions on Iraq in international and regional fora. Jordan became the first Arab country to dispatch a prime minister to Iraq since crippling sanctions were imposed one decade ago.

The monarch's domestic political and economic challenges are many, and are highly influenced by regional developments. One in three Jordanians live in poverty and anywhere from 14 per cent (officially) to at least 20 per cent (according to independent estimates) of the work force is jobless. Reforming the heavily static economy means that, without massive doses of foreign investment, the unemployment rate is likely to grow, in the short term. But foreign investment is not likely to be forthcoming unless regional stability prevails. Two critical export markets – Iraq and the West Bank – remain virtually inaccessible to Jordanian exporters. At the same time, Jordan's Palestinian population, which wields the majority of the economic power in the country, is beginning to seek greater representation in the political arena that traditionally has been dominated by East Bank Jordanians, who also reaped the benefits of a static economy, and dominate the vast majority of the civil service. Accomplishing a balance between the two competing interests will require a dismantling of the power centres that flourished in the past. This process is nearing its end.

The end of the transition

The sudden appointment of Abdullah as heir to the throne just days before the death of King Hussein dealt the political establishment a double blow. Abdullah replaced Prince Hassan, King Hussein's younger brother and heir apparent for 34 years, who Jordanians had come to regard as the second „pillar“ of the establishment, as crown prince, Hassan had been given wide authorities as a politician, decision maker and trusted confidante and advisor to King Hussein. Throughout the years he was respon-

sible for founding and building some of the most prestigious institutions in the country and had collected his own retinue of advisors and aspiring, publicly known politicians. He was a key player in Jordan's strategic relationship with Israel. His dismissal interrupted for a time a national sense of continuity that had depended on his unquestioned succession.

To help steer him through a delicate period, King Abdullah chose to retain chief of the Ge-

neral Intelligence Department Samih Battikhi, a seasoned intelligence official who had served the king's father for three years. Abdul Karim Kabariti, a reform-minded liberal and former premier, was appointed by King Abdullah as chief of the Royal Court. The king's first prime minister was Abdul Ra'uf S. Rawabdeh, a bully-in-the-pulpit, traditional and tribal figure. He is believed to have been „Battikhi's choice“. He was necessary to allay East Bankers' fears that Kabariti would take his reform agenda too far, too fast. The combination was peculiar, since the competing agendas of the three were readily apparent, and came to epitomise the „battle“ between a generation of traditionalists and an emerging generation of reformists – two of whom eventually resigned from the Rawabdeh cabinet; one a minister who had been personally involved in coordinating Jordan's IMF reform programme and the other a nephew of Kabariti.

The differences between Kabariti and Rawabdeh evolved as a thinly-veiled public feud. Kabariti stepped down at the request of the king in January 2000, and was replaced by Fayez Tarawneh, a tribal figure, who, during King Hussein's illness acted as a lame duck premier. The loss of Kabariti was considered a blow to reformists in the country.

Owing to the region's geo-political position, security, always a paramount concern, became the overriding interest during the first year and a half of King Abdullah's reign, and gave rise to criticisms among the intellectual elite and the international press that the king, permitted Battikhi too much leeway in meddling in public affairs under security pretences. That impression was augmented by the consistent appearance of Battikhi – who also carried the title of royal advisor –

next to the king during state visits and official functions at home and abroad.

Intellectuals note that during the transition period, human rights, especially public freedoms, suffered, and for this the blame has been laid with the security apparatus under Battikhi's control. His conservative notion of security, i.e., that any form of opposition constituted a threat to the regime, led to the running of a security state, to the extent that one political pundit unfavourably referred to Jordan in the „new era“ as „Battikhistan“ in an interview with an American newspaper.

During the last year, the police were given leeway to use force to crackdown on student protests, when students protested against „official interference“ in student elections in a way that limited the influence of Islamist students in the University of Jordan student council. Other popular protests, such as those against Israeli military action against Palestinians in the West Bank and Gaza, were also put down with force.

For the better half of 2000, it appeared that the government of then Prime Minister Abdul Ra'uf Rawabdeh and intelligence services had colluded – albeit for different reasons – in actively opposing many of King Abdullah's stated policies, especially those advocating political reforms, and particularly those that would eventually permit wider Palestinian involvement in the political establishment – a strictly „new guard“ ambition.

The dismissal of academic and renowned historian Mustafa Hamarneh from his post as director of the Centre for Strategic Studies at the University of Jordan was a case in point. Under Hamarneh's guidance, the centre six years ago introduced public opinion polling on govern-

ment performance and began concentrating its academic efforts on the dynamics of Jordanian-Palestinian relations, earning the CSS international acclaim in academic circles. In July 1999, Hamarneh abruptly resigned under pressure. The media speculated that the release of a government poll that viewed the Rawabdeh government unfavourably and the centre's controversial work in studying Jordanian-Palestinian relations provoked the virtual firing. But, comments Hamarneh made to international media and in private that were deliberately misconstrued by security services as an attack on Jordan's new king apparently delivered the coup de grace.

The country's leading independent daily newspaper, Al Arab Al Yawm also became a casualty of the traditionalist vs. reformist contest when corruption charges were brought by a newspaper employee against the paper's publisher. The publisher, a controversial public figure, was forced to resign and a new pro-government replacement was installed. The line of the paper changed almost overnight and many journalists believe that the charges against the publisher, while perhaps having a ring of truth, had been somewhat embellished and „prompted“ by „pressures“ from the government and security services.

A change in government in June 2000 from that of Rawabdeh, a traditionalist, to that of Prime Minister Ali Abul Ragheb, a liberal, also led to staunchly divergent positions on the boundaries of the respective authorities of the security apparatus and the executive. These differences became most apparent during popular protests in support of the Palestinian intifada that exploded in September 2000. Abul Ragheb, a liberal, favoured an outlet for expression in a controlled atmosphere to prevent re-

sentment being directed towards the government and regime for their failure to take a rigid position against Israeli aggression. Battikhi, conversely, advocated keeping a stranglehold on outlets for opposition and sought to impose a general ban on demonstrations.

At the same time, political sources and the intellectual elite believe that Battikhi, along with others, unnecessarily isolated Prince Hassan – both before and after the death of King Hussein – whom they believe is a valuable resource upon which to rely in interpreting political realities in the region and the Western powers.

(There has been no public sign of Prince Hassan's political rehabilitation, notwithstanding his international reputation, i.e. his appointment as president of the prestigious Club of Rome. King Abdullah, however, has appeared eager to project Hashemite unity, giving his brothers a higher profile in the country's political and social life. His youngest brother, Prince Hamzah, was named crown prince – presumably at the behest of the dying King Hussein – while another of Hussein's sons, Prince Ali is in charge of the king's personal security detail. The regency rotates among King Abdullah's brothers and male cousins.)

Security and stability was in fact a necessity during the transition, owing to the many competing interests within and around Jordan. But the dismissal of Battikhi from his post as intelligence chief in early November 2000 – even as the Palestinian intifada threatened to destabilise the region – was a sign that King Abdullah had gained confidence in his ability to govern. Battikhi was subsequently appointed as a senator – a prestigious position, but with little influence over policy-making. The appointment is believed preclude

his return as an influential figure in the country's political arena.

One indication that the king's and government's regard for public freedoms is, at very least, more liberal than Battikhi's was that Hamarneh was reinstated only weeks before Battikhi's dismissal. The reinstatement had come at the behest of the government, but had been resisted by Battikhi, and was finally achieved when the king intervened directly.

Also, reforms in the state-owned and state-controlled media began to pick up steam as the end of Battikhi's tenure neared, while students demonstrating at the University of Jordan against Israel's siege of Palestinians in the West Bank and Gaza in late 2000 were left alone to protest in peace, with nary a policy officer in sight.

Battikhi was replaced by Major General Saad Kheir, the second in command within the intelligence services, whose career has been devoted to intelligence affairs. He is generally considered apolitical, desirous of a lower profile than Battikhi and more appreciative of the authority of the executive.

The removal of Battikhi also essentially signals the completion of a process of dismantling former power structures. The intelligence chief's dismissal was preceded by several other significant alterations in the power structure. Only days after King Abdullah acceded the throne, four major generals were retired from the army, and the forced retirement of the chairman of the joint chiefs of staff followed five months later. The chief of police was also changed during the year.

The June 2000 change of government from Rawabdeh to Abul Ragheb brought other important changes. The reform-minded liberal

brought with him to office nine ministers of Palestinian origin and placed them in key posts, such as the justice ministry.

The latter is also somewhat indicative of a greater official commitment to engendering wider political participation across ethnic lines and social justice within the Kingdom. Abul Ragheb's political and economic outlook is more in keeping with the stated ideals of King Abdullah.

A change in the speakerships of Jordan's elected House of Parliament and Royally-appointed Senate and in the Royal Court chief would bring the change of the guard full circle within the state apparatus. Changes in the parliamentary structure cannot be expected before the general elections due in November 2001.

In the meantime, King Abdullah has dedicated rigorous efforts to fostering a new power base among his generational peers, urging their participation in shaping a new Jordan, focused on the country's economic development within a global and regional economy. The appeal has been met with enthusiasm, mostly by young energies in the private sector. The foundations of this new alliance include the Economic Consultative Council (ECC), a 20-member body of representatives of the private sector and cabinet members appointed by the king to set the priority for reforms and to monitor the implementation of vital social, economic and administrative policies.

Although the king was criticised in some circles of creating a „parallel“ government, the ECC experiment has been a successful one. Many policy and legislative changes would likely not have occurred without the prodding of the body, which functioned more as a lobby group for change.

The creation of the ECC has galvanised unprecedented activism in the younger rank and file of the private sector, who were frustrated by outdated governmental policies that had seemed cemented in place, and unwilling or unable to accommodate the requirements of globalisation.

Together, these factors effectively signal the end of the „transition period“ and should provide the king some of the leeway he needs to bring about desired changes in the country’s political and economic arenas.

Political reforms

The ethnic make up of Jordan’s population of five million has been – historically speaking – the most influential factor in determining the course of its domestic and foreign politics. The precise statistic is a well-guarded secret, but it is reasonable to estimate that roughly 60 per cent of the kingdom’s population are of Palestinian origin – refugees and displaced persons from the Arab Israeli wars of 1948 and 1967.

Many retain familial and economic links with Palestinians in the West Bank, former Jordanian territory, and in Gaza. The majority remain opposed to Israel’s occupation of Palestinian territory and to a peace process that has failed to recognise Palestinian rights to return and compensation as enshrined in UN resolutions. They are also opposed to any peace deal that does not result in a Palestinian state, with recognised borders and with sovereignty over Arab East Jerusalem, the site of Islam’s third holiest shrine.

Most Palestinians in Jordan enjoy citizenship, and, in theory, full citizenship rights. However, the extent to which they are able to exercise those rights is a hotly contested question. Generally, in spite of their numbers, Jordanians of Palestinian origin have been excluded from the kingdom’s political

apparatus, the intelligence services, the armed forces, the civil service and many state-owned commercial enterprises, including the media.

This disenfranchisement was largely a function of King Hussein’s general distrust of the Palestinians, engendered by Palestinian militias’ challenge to the regime in the wake of the 1967 Arab-Israeli war that led to Jordan’s 1970 Black September crackdown on Palestinian militia factions.

Fear and suspicion prompted the pursuit of an unspoken policy that reserved positions in the state apparatus for East Bank Jordanians. In parallel, it evolved that Jordanians of Palestinian origin came to dominate the private sector.

This „balance of power“ began to change in 1989, when, to diffuse an economic crisis, caused by a hike in fuel prices in 1989, King Hussein lifted martial law, and set the country on a process of political reform. Electoral districts were redrawn to represent East Bank constituencies only – after the kingdom’s 1988 administrative disengagement from the West Bank – and Jordanians went to the polls in November 1989 for the first time in two decades. In spite of the fact that two national elections have been held since, the 11th Parliament

(1989-1993) is considered to have been the most dynamic and most democratic in the country's history. Islamists, representing Jordan's Muslim Brotherhood, who enjoy extensive support in urban, Palestinian-populated areas, won 24 of the elected chamber's 80 seats, along with five independent Islamists, and 11 leftist/pan Arabist candidates.

Shortly after, political parties, banned since 1957, were legalised. The Muslim Brotherhood's Islamic Action Front party emerged as the largest and most influential party of some 20 registered political parties, most of which were leftist, pan Arab opposition parties. A new press and publications law that envisioned the state's relinquishment of its shares in the Kingdom's two most prominent daily newspapers and that gave journalists limited freedoms was also endorsed.

However, King Hussein's strategy to haul Jordan out of its worsening economic crisis and political isolation following the 1990-1991 Gulf War, namely through the signing of a peace treaty with Israel, were incompatible with the agenda of such a legislature and led in 1993, an elections year, to the early dissolution of the Parliament and the government's endorsement of a new elections law, gerrymandered heavily in favour of pro-government, under populated tribal strongholds and against urban areas where Islamist and Palestinian influence were greatest.

The change had the desired effect. In 1993, only 17 Islamists were returned to the house, along with a handful of opposition figures. The remainder of the house was dominated by tribal, East Bank personalities. The outcome of the 1993 elections ensured the ratification, two years later, of the Jordan-Israel peace treaty and in 1996, of one of the most contentious

components of IMF reforms, the lifting of bread subsidies.

Throughout 1993-1997, opposition parties, led by the Islamists, and the intelligentsia agitated for a change in the election law that guaranteed more demographic representation of the population in the parliament. However, popular resentment of the peace process and of economic reform reached a crescendo, bred undoubtedly by no progress in either.

King Hussein, feeling perhaps that his credibility and authority had been challenged, permitted a government-led crackdown on political and public freedoms that has been likened to the days of martial law. He was supported in this by the East Bank political elite because it allowed them to retain their control over privileged positions in the country's political life.

Cosmetic changes to the elections law in 1997, an elections year, served only to reinforce the status quo, and a new, restrictive press law was enacted that codified official tyranny of the free press (13 independent newspapers were temporarily closed under the law) and stifled any criticism in the mainstream press. The result was the disenchantment of the intellectual and political elite with the entire political „reform“ process. The Islamic Action Front led opposition parties and several prominent political independent personalities to boycott the 1997 national elections, permitting the return of a pro-government, tribal parliament.

The political status quo prevailed throughout the remainder of King Hussein's reign.

King Abdullah likely believes an overhaul of the political system is necessary to maintain social cohesion, especially as it becomes more and more apparent that Palestinian refu-

gees will be settled in Jordan permanently following a Palestinian Israeli peace deal. Some political reforms are also necessary to support his economic ambitions. His letters of designation to both the Rawabdeh and the Abul Ragheb governments made several references to the need for greater political reforms. Among his stated priorities in this area was the incorporation of Jordanians „regardless of ethnic origins“ into key political structures of the country through the amendment of the elections law and the liberalisation of the state-owned and state-controlled media.

Yet, the intellectual elite of the country feel that the pace of political reform has not kept pace with economic change, and that King Abdullah may fear and resist such profound changes in the political establishment, as his father did. But this sentiment is likely to change as some limited reforms get underway in the wake of Battikhi's dismissal.

In fact, King Hussein's experience with the Palestinians significantly influenced his ability in his later years to affect reforms. King Abdullah does not bear this legacy, and realises that political reforms involving the Palestinians should be initiated at the top before they are „imposed by popular will“ in the not-so-distant-future.

However, the king is wary of affecting these changes in the absence of a popular, preferably secular, movement that counters the weight of Islamist and leftist/pan Arab opposition, believed to enjoy large grassroots support. This wariness does not arise from his belief that the opposition would pose a direct challenge to the throne – the Hashemites are generally regarded as a unifying force in the country – but because substantial opposition could scuttle the achieve-

ment of strategic political and economic goals that are linked to the successful conclusion of the Arab-Israeli peace process.

The Islamist-led opposition in the country does not support Palestinian-Israeli negotiations within the framework of the Oslo Accords, which it believes will not secure Palestinian rights and instead will lead to their further subjugation. It is critical of Jordan's own treaty with Israel, which it believes was a „sell-out“ to satisfy Western and Israeli interests in the region in return for US economic and military aid.

In fact, this aid was forthcoming following the signing in 1994 of Jordan's peace treaty with Israel, although the regime refers to the treaty in terms of strategic interests: The treaty has helped restore relations with the US, damaged in the Gulf war and has brought Jordan into a regional American-led defence alliance that makes the kingdom less vulnerable to the possible wayward ambitions of neighbouring countries such as Iraq or Syria; heightened security co-operation with Israel has helped limit the potential for domestic and regional instability caused by radical movements; and among other things has helped Jordan secure strategic water reserves.

The opposition – and the wider public – holds the regime's policies for economic reform in the same contempt, believing that the terms reform and liberalisation are euphemisms for economic colonisation of Jordan and the Arab and Islamic world by the West.

The monarch hopes that a successful peace settlement would engender regional stability and lead to an easing of Jordan's dire eco-

conomic situation. He likely believes that this would diffuse the influence of the Islamist/leftist trends in the country by wearing away at the credence of their anti-peace, anti-reform positions.

The Abul Ragheb government has launched a „national dialogue“ with civil society figureheads to reach a national consensus on new electoral legislation. However, a „national dialogue“ has been initiated several times in the past three years with few results, mainly because the kingdom’s regional political and domestic economic conditions have changed little. This resentment of the peace process has been on the rise, exacerbated by the Al Aqsa Intifada, following the failure of Palestinian and Israeli peace negotiators to reach a final peace settlement during the Camp David peace talks.

The peace process’ continual failure to restore Palestinian rights has lent credence to the opposition’s anti-peace platform and undermined the credibility of the government’s peace policy, as far as the opposition and the wider public are concerned. Were a new elections law drafted that provided equitable demographic representation, the king might well be faced with a parliament prepared to abrogate the treaty, immediately compromising the regime’s economic and security interests.

Although political activists have proposed two significant scenarios for a new law, the government has already made clear its reluctance to abandon the current system and therefore, no substantive changes should be expected ahead of national elections, expected in November 2001 or before a successful settlement of Palestinian-Israeli conflict is achieved.

The king has been more enthusiastic about reforms in the media, which occurred at break-neck speed ahead of the dismissal of the security chief and following his departure. In spite of the availability of the Internet, satellite and foreign publications in most European languages and Arabic, **the mainstream of Jordanian media is state-owned and heavily regulated and controlled by the security apparatus.** During the „political reform“ process, consecutive governments and the intelligence worked to consolidate their control over the state-owned media and pursued a policy of intimidation of what existed of the nascent independent press – 15 weeklies and one daily. This policy was pursued in the name of „national security interests“ and fit well with the desire of the ruling East Bank establishment to retain their reign over the country’s political landscape.

This control and intimidation of the Jordanian media has failed to allow it to remain competitive in the information age, and cost it viewers and readers when Arab satellite services exploded onto the regional broadcast market. The poor performance of the local media has been a source of criticism from the king himself, who told journalists that when he wants to hear the news, he tunes in to foreign and Arab satellite channels.

However, the Abul Ragheb government has made media reforms a priority, concentrating efforts on two key media enterprises. The government presented the parliament a law ending the state-owned Jordan Radio and Television Corporation’s 40-year monopoly over broadcast services and **permitting private sector investment in the sector.** It also gave JRTVC financial and administrative independ-

ence from the government. The law passed through parliament and by November 2000, the government-controlled JRTVC board had been „purged“ and replaced with a board representing government and the private sector. A new, young director appointed to steer the changes at the over-employed, under funded institution, which like many other state-owned institutions, has been used as a sort of employment agency. Changes are expected to be radical.

Within the press, the Abul Ragheb government, along with the grudging co-operation of the management of Al Ra'i, the country's largest mass circulation daily newspaper, is devising a mechanism to sell off part of the government's 62 per cent equity in the institution, and by the end of November 2000 efforts were underway to dislodge key senior editors, traditionalists who had resisted the privatisation scheme and who through the years essentially had functioned as in-house censors.

There has been a tendency to misconstrue King Abdullah's enthusiasm to foster some limited political reforms as a „democratic streak“ in the monarch, in whom enormous powers are concentrated under the constitution.

This is likely not the case. For the time being at least, **the king sees political reforms as a key element to maintain domestic stability and as an integral part of the economic reform process, which requires some degree of political openness.**

He probably sees that the „micro-management“ of the country, a practice of King Hussein, is neither practical nor desirable. Therefore, it seems likely that the government and the parliament will in the future assume more of their constitutional roles.

One key sign that **the king is not prepared to allow state institutions to run the show**, occurred in mid-2000 when the king revealed that he was rather unwilling to accept a parliamentary challenge of the Rawabdeh government, even if he himself was not entirely satisfied with the government's performance. When parliament called for a new vote of confidence in Rawabdeh's government and eventually its dismissal, the king instead renewed confidence in the government, and changed it only after the parliament made clear that there would be no co-operation in endorsing the legislation necessary to bring Jordan into conformity with WTO standards for membership and other vital economic legislation.

Economic woes

King Abdullah inherited an unenviable set of economic challenges. Its massive \$ 8 billion external debt is equal to 90 per cent of GDP and requires debt servicing of \$ 780 million a year, or 14.2 per cent of GDP, according to the IMF, although rescheduling has helped reduce this to 8.6 per cent. Nearly 70 per cent of government expenditures are committed

to the wages and salaries of civil service employees, interest payments, pensions and military spending. As the country lowers tariffs in compliance with world trade regulations, government revenues will come under pressure, making it difficult for the government to manoeuvre to meet any external economic shock, such as a hike in oil prices.

Economic growth has stagnated since 1995, with growth hovering around two per cent, and dipping to 1.3 per cent in 1999. Meanwhile, the population grows at an average rate of three per cent a year, translating into a decline of one to two per cent a year in the per capita income of Jordanians. Average per capita income is \$ 1,645, while unemployment is estimated by the government to hover around 14 per cent. Independent estimates claim it to be much higher – at least 20 per cent. More than half the population is now under 30 years of age, and roughly 30 per cent of the population lives in poverty, so the coming of age of younger generations in the midst of economic hardship fuels constant fears of social unrest.

This pressure is exacerbated by the lingering effects of UN economic sanctions on Iraq, once a \$ 2 billion per annum export market for Jordanian products, but UN economic sanctions on Iraq have reduced present day trade to half that figure. Also as a result of the Gulf War, Jordan lost hundreds of millions of dollars in expatriate remittances from a quarter of a million Jordanians working in Saudi Arabia and Kuwait, who were forced to return home when it was perceived that Jordan had sympathised with Iraq during the crisis. The economic effects of these two factors linger today. At the same time, **the „economic dividends“ of peace with Israel – a key selling point of the despised treaty – have been slow to materialise. Although at a macroeconomic level, returns have been abundant in the form of debt write offs, debt rescheduling and increased aid, the „man on the street“ has felt little.** Although the intellectual elite realise that expectations were perhaps too high, the fact remains that major joint infrastructure projects envisioned in the treaty, such as the Aqaba Peace Airport, that could

bring investment and create employment opportunities, have not materialised.

Meanwhile, Jordanian exporters have found difficulty accessing the Palestinian West Bank. Trade with the Palestinian territories is governed by an elaborate and complex list and quota of goods that are permitted by the Palestinian Authority and, ultimately, Israel, to enter the Palestinian territories. Jordan has complained frequently that Israel has imposed strict security measures at the Israel-controlled King Hussein Bridge, linking Jordan to the West Bank. Exporters and officials complain that what are ostensibly Israeli security concerns are in reality non-tariff barriers to a captive \$ 3 billion per year export market for Israel. Jordan, by contrast exported \$ 31 million to the Palestinian Territories in 1999, and within the first eight months of 2000 had exported roughly half of that. But the Palestinian intifada that began in late September has further diminished trade opportunities with the West Bank, since the King Hussein Bridge has been closed to all goods but medical aid.

Jordan in 1989 commenced on an IMF-sponsored economic reform programme, although consecutive governments – representative of tribal interests that would be among the first to suffer under reform – have been loathe to implement its provisions, fearing a social and political backlash. These opponents of economic reform cite the riots in 1996 inspired in the southern city of Kerak, an East Bank stronghold, when the government lifted bread subsidies as a portent of things to come should the programme move ahead without a sufficient social safety net and parallel economic growth. The programme has been driven forward by an *economic team* of ministers and their deputies

who have survived several governments and who are supported by the king. Until very recently, governments did the job mostly to preserve the continuity of each particular government (which changed on average every 14 months) and parliament acquiesced but only after much badgering by the government. The public, meanwhile, considers reform and liberalisation tasks imposed by the West that threaten jobs and industries, and fears that the subsequent liberalisation of the economy will lead to its domination by foreign interests, particularly those of Israel.

In ten years of reforms, consecutive governments delivered little on reform, especially in privatisation. One of the few but notable achievements was the sale in 1998 of 33 per cent of the Jordan Cement Factories Company to French cement giant Lafarge. The government did relinquish interest in some tourism enterprises, but relinquishing its interests in key sectors such as telecommunications proved to be too daunting a task.

King Abdullah has exhibited and demanded a higher degree of fidelity towards the programme, as part of his ambition to bring Jordan up to standard with the requirements of participation in a global economy. Since mid-1999 Jordan has leased the Aqaba Railway Corporation, a freight railway that is mostly used by the state-owned phosphate and potash companies to a US consortium, led by Raytheon. The restructuring and sale of 49 per cent of the national carrier, Royal Jordanian was approved. Six companies have devolved and the sale of almost all have been completed, with British Airways expressing interest in acquiring part of the core business. In the meantime, the country's first private airline, Jordan Aviation, was

licensed and began operations in late 2000. Forty per cent of the Jordan Telecommunications Company, a major state cash cow, was sold to a group of international investors led by France Telecom and the Arab Bank.

The postal services, along with two other major enterprises once considered sacred, the Arab Potash Company and the Jordan Phosphate Mines Company are now being considered for privatisation on the recommendation of the IMF.

The government asserts that it will continue to pursue reforms in 2001, including an overhaul of the taxation system. A new sales tax imposed in 2000 will be converted into a fully-fledged VAT in 2001. Corporate and personal tax have been rationalised and simplified, while steps to deepen money and capital markets, strengthen the banking system and expand privatisation are expected in 2001.

Another component of IMF reforms was paring down a cumbersome state bureaucracy that employs 40 per cent of the labour force and bringing corruption within it under control, but tough political moves to achieve this have been slow in coming. Such decisions will be difficult in the absence of employment-generating economic growth and a sufficient social safety net.

Appointments in the civil service are often made through personal, familial and tribal connections. Social mores make requests for „favours“ difficult to refuse. Something that is difficult for Western observers to appreciate is that most Jordanians say that appointments should be made according to a merit based system, but also realise that the imposition of such a system could jeopardise either their own personal in-

terests or that of their tribes and could also put them in an embarrassing situation if they are pressed to refuse requests for favours. The present government is aware that the mere size of the bureaucracy is not only a drain on the budget, but also that its size and the potential for corruption within it is off putting to foreign investment. It is working with the World Bank on a series of reform initiatives that are in the beginning stages. The civil service department recently issued a „code of conduct“ regulating employment and installing controls that regulate relationships between officialdom and the public. The success of this endeavour is difficult to predict, since it often happens that Jordan has extremely efficient laws and regulations that are simply ignored. More crucially, the government announced in November 2000 that it would cease hiring new personnel and would instead „redistribute“ personnel throughout the civil service and would educate some in computer and English skills.

There is a general sense among the Jordanian public that financial and administrative corruption is prevalent in the civil service, at the highest and lowest levels. The public generally believes that it ranges from a clerk's acceptance of a petty bribe from a businessman to execute paperwork to grand larceny from the public coffers by senior government officials.

The creation in 1996 of the Anti Corruption Unit within the intelligence services, rather than diminish that impression, has served to solidify it, since the intelligence apparatus itself is acknowledged as one of the most corrupt institutions in the country. In early 2000, the ACU claimed to have „handled“ some 1,000 cases of corruption, referring more than 500 cases to court and saving the treasury an impressive

\$ 84 million. Yet, the ACU has consistently failed to make the results of any investigation, fostering the impression that while the ACU may have netted some small fish, it has generally failed to challenge „real“ corruption, and in some cases may even protect the corrupt. The independent media is under pressure not to expose the corrupt and in the state owned media, which cannot be regarded independently of either the intelligence services or the government, corruption is said to flourish.

Beyond its commitment to the reform programme, Jordan is exerting efforts to wean itself from an aid- and foreign-remittance driven economy. These efforts were stepped up after the death of King Hussein in 1999, which threw the economy into mild turmoil. Capital flight dwindled Jordan's foreign reserves in mid-1998 to \$ 1169.5 million (four months of imports) with the public acknowledgement of Hussein's terminal illness, and after his death, King Abdullah lobbied Jordan's major donor nations – the US, Japan and EU member states – for expanded assistance.

Those countries were not entirely unsympathetic, but made clear early in King Abdullah's reign that the days of debt write offs and hand outs were nearing their end. There were few commitments to increasing aid. Jordan did win some debt rescheduling, but in lieu of leniency, donors committed to ensuring Jordan's ascension to the World Trade Organisation in May 2000 and to developing other instruments that would facilitate the Kingdom's economic progress.

The US has been especially active in making available alternative tools to stimulate the Jordanian economy. **The superpower lobbied for Jordan's WTO membership, accepted by the**

global club in late 1999, and in October 2000, Jordan became the fourth country in the world – after Canada, Mexico and Israel – to secure a free trade agreement with the US. The salient features of the FTA are: goods considered originating in Jordan must have a minimum 35 per cent value added in Jordan and b) tariffs on bilateral trade would be abolished over a ten-year period (American tariffs will fall almost immediately, while Jordan's would be phased out over the decade. The agreement also included provisions on the taxation of e-commerce.

Until the FTA takes full effect in a decade, investors can also take advantage of another „tool“ devised by the US after peace failed to help Jordan realise greater economic growth. **Industrialists who locate in any one of five Qualifying Industrial Zones can export duty and quota free to the US market – once they meet one of two sets of criteria that impose a vague form of regional economic co-operation with Israel. To get the benefit, exporters must either a) secure a minimum of 35 per cent original content requirement from each of the following sources: 11.7 per cent value added from Jordan, eight per cent from Israel and the remainder from anywhere in the world or b) Jordanian and Israeli partners contribute 20 per cent each to the cost of production, excluding profits. Eighteen factories, employing 8,000 workers, have started producing in the five QIZs established so far in Jordan; 25 more are in the pipeline.** Exports of clothing to the US have increased from \$ 3 million in 1997 to around \$ 100 million in the first 10 months of 2000 as a result. The QIZs should encourage FDI and local investors are hopeful such zones could boost exports by \$ 2.5 billion and create as

many as 100,000 new jobs over the next four to five years.

Jordan also signed an agreement of association with the European Union in 1997. The agreement became effective in 1999. The kingdom secured favourable terms including an agreement from the EU to abandon some of its cumulative rules of origin requirements – that aspired to create a regional free trade area in the Middle East – which would have made it difficult for Jordan products to enter the European market duty free. Industrial goods are being gradually exempted from customs duties at a rate of 20 per cent annually for five years.

These agreements and protocols have given Jordan's limited industrial base much needed alternatives to traditional markets, however, many traditional industries such as food processing or textiles and garments manufacturing are neither equipped with nor abreast of the know how and technology to make their products compatible with the demands of other markets or the standards required to enter and compete effectively in them. Limited efforts have been exerted to familiarise industrialists with the requirements of the agreements and to assist them in restructuring, while the government has encouraged mergers in order that traditional industries compete and survive in the local market as tariff barriers fall. But this advice has not been embraced with much enthusiasm save for among a few highly specialised industries such as pharmaceuticals manufacturing.

In the meantime, while foreign direct investment has grown, it certainly has not been to the degree necessary to bring about the six per cent annual growth estimated by the World Bank to be necessary to bring Jordan „out of the bottleneck.“ Interestingly, in

spite of the kingdom's dependence of foreign investment, there is no mechanism for it to monitor the volume of investment flowing into the country on an annual basis. The government is working on such a mechanism in coordination with the World Bank. According to the Jordan Investment Bureau, total investment channelled into the Kingdom through its offices, has more than doubled since 1996, when total investment registered a modest \$ 348 million.

Consecutive governments have laboured to put together a rather attractive package of investment legislation to lure foreign money, while in 2000 King Abdullah spearheaded an effort to expand that package and to bring legislation into compliance with WTO requirements, namely by securing the endorsement of crucial intellectual property rights legislation.

He has encouraged creative initiatives from the private sector, such as the REACH Initiative, which groups private sector representatives of the country's nascent information technology sector. The initiative predicts that the IT sector in the Kingdom could create 30,000 jobs, boost exports by \$ 550 million and attract \$ 150 million in foreign investment by 2004. It also proposes the legislative and administrative reforms necessary to achieve these goals. King Abdullah has thrown his full weight behind the initiative and in March 2000 personally invited the principals of the world's technology giants for a weekend at the Dead Sea to introduce them to Jordanian potential, which includes a highly educated and literate labour force, available at competitive wages.

A years-old World Bank proposal to turn Jordan's port city of Aqaba into a „special economic zone“ – a sort of Jordanian Jabal Al Ali – was dusted off, refined and, after some public

controversy over relinquishing too much authority over the strategic port city, endorsed by the parliament in October 2000. Planners anticipate \$ 6 billion in tourism, heavy industry and services investments – lured by substantial tax and duty free incentives – and the creation of 70,000 jobs over 20 years. The zone would be regulated by a quasi-government that would have extensive authority in the Aqaba area.

The IMF has rated the kingdom's economic policies relatively sound, as testified to by its decision in August 2000 to extend to Jordan a \$ 169 credit facility. The *economic team* has kept inflation at 0.6 per cent and has managed to reduce the kingdom's budget deficit to 7.4 per cent of GDP, 0.2 percentage points below expectations. The kingdom's monetary policy has contributed to the recovery of confidence in the dinar (JD 0.710 = \$ 1) and the restoration of foreign reserves to \$ 3.4 billion by the end of 2000 (worth ten months of imports).

Finance Minister Michel Marto said in late 2000 that growth could be as high as four per cent, but forecasts from the private sector were not as optimistic, estimating that growth would hover around two per cent, or less.

However sound Jordanian legislation and policy may be and in spite of Jordan's domestic political stability, it remains stigmatised as a country in a rough neighbourhood, and its economy is highly susceptible to shocks caused by events in the region. Following the start of the Al Aqsa Intifada, officials abroad trying to „pitch“ the country to foreign investors said the most frequently asked questions was about the safety of investments in an „unstable“ environment. Almost immediately after the intifada began the country's tourism sector, which annually contributes to 13 per cent of

GDP, reported 30-50 per cent cancellations in flight and hotel reservations, and tourism principals expected reservations to remain low for the foreseeable future. The country in 1999 hauled in tourism receipts of \$ 750 million with approximately 1.2 million tourists and in 2000, had anticipated receipts of \$ 1 billion in capitalising on travellers to the Holy Land during the millennium. Meanwhile, the special economic

zone in Aqaba was meant to be officially announced in January 2001, but by the end of 2000, the government had discussed delaying the announcement until regional tension caused by upheaval in the Palestinian territories and Israel had subsided. And most certainly, the \$ 1.2 billion figure that officials claimed had been committed by foreign investors is will be revised downwards.

Jordan and the region

King Abdullah seized on the regional uncertainty caused by his father's death to redefine Jordan's relations with Arab neighbours, by seeking to minimise political differences and repackaging the Arab agenda as an economic one, in keeping with his professed faith in globalisation and free market economy.

He sees in this strategy a way to salvage Jordan's own listing economy and bolster domestic stability by, for example, reopening the Gulf market to Jordanian labour. He also considers that forging a formidable regional economic bloc would minimise the potential for regional hostility in the future.

Overtures towards the Arab world also win domestic support at home, where the vast majority of the population favours enhanced Arab ties at all levels – political, social and economic. This, in spite of the fact that Jordan's experiments with and attempts at Arab unity have resulted in failure, owing to an array of competing political interests among Arab leaders.

Throughout the last decade, most Jordanians came to feel that King Hussein had dedicated too much time and effort rehabilitating Jordan's

relations with the West and to shoring up Jordan's peace treaty with Israel; priorities Jordanians believed came at the expense of the country's ties with Arab neighbours.

On the surface, King Abdullah has given Israel less of a priority politically, dealing with the Jewish state as one among many regional players, although he does remain committed to the treaty. He holds the prosperity of the Israeli economy in high regard and sees that Jordan stands to benefit from heightened economic co-operation with its neighbour to the west. He has persuaded Israel to resume co-operation in joint projects envisioned in the peace treaty, and he has emphasised that, while he is prepared to hear the opposition's criticisms of the treaty, he is not prepared to tolerate any attempts by the anti-peace movement to stand in the way of economic ties between Jordanians and Israelis. (The anti-peace movement, led by the Islamists, Trade Unions, Professional Associations and opposition parties, has made it a policy to publicly disclose the names of Jordanians who „normalise“ ties – be they economic or social – with Israelis. „Normalisers“ as they have come to be known, are upheld as traitors

to the Arab/Palestinian cause, in hopes that further „normalisation“ of ties is discouraged among other Jordanians. In doing so, the anti-peace movement hopes to send the message to Israel that it can never enjoy „normal“ relations in the Middle East unless Palestinian rights are recognised.)

The new Arab agenda seems to hold some appeal in countries with which Jordan has had acrimonious relations in the past decade.

Syria, which fell out with Jordan over the kingdom's 1994 peace treaty with Israel, initiated a rapprochement when then-Syrian President Hafez Al Assad attended the funeral of King Hussein, after not having set foot into Jordan for more than a decade. But what first appeared as Syrian opportunism to perhaps apply some pressure on a new, young king emerged as an opportunity for King Abdullah to champion Bashar Al Assad, the senior Assad's successor, in Western political opinion and invite the country back into the circle of peace by lobbying for a resumption of peace talks between Israel and Syria and ferrying messages between Damascus and Tel Aviv. These gestures have been complemented by two royal visits to the Syrian capital. Although there has been little Syrian reciprocation at the political level, economic activity between the two countries has heightened. Among some of the achievements were an agreement to begin the construction of a major (unity) dam along the Yarmouk River which forms the natural border between Jordan and Syria and the reactivation of Syrian Arab Airline's Amman-Damascus route.

Gulf countries too ended their decade-old estrangement of Jordan, enforced when Jordan in 1990 decided not to join the US-led alli-

ance against Iraq following its occupation and invasion of Kuwait. In retribution, Gulf countries cut off millions of dinars in vital economic aid and sent packing some 300,000 Jordanian expatriates who had worked in the Gulf for decades, drying up millions more in expatriate remittances. After the death of King Hussein, Gulf states rushed to shore up confidence in the dinar and Jordanian foreign reserves in the wake of capital flight with commitments to deposit millions of dollars in the Central Bank of Jordan. And shortly after King Abdullah assumed the helm, he made his „debut“ tour of the region, including stops in the Gulf countries where he was received like a long lost son.

Although Jordan's ties with Egypt, often uneasy because of decades of rivalry over regional hegemony in Middle East Peace efforts, appear to have improved. President Mubarak and King Abdullah are promoting policies of moderation, and their foreign ministers are working to calm the unrest and to bring Israelis and Palestinians back to the negotiation table. The ultimate goal being the declaration of an independent Palestinian state within the framework of an agreement.

However, instability in the Kingdom's closest neighbours, Iraq and the West Bank, are two of the more intractable elements of King Abdullah's foreign policy making.

At the outset of his reign, the most distinguished feature of King Abdullah's foreign policy was his effort to disencumber himself of what remained of Jordan's „Palestinian issues“ that tainted his father's relationship with PLO kingpin Yasser Arafat.

King Abdullah moved quickly to distil lingering Palestinian fears that Jordan still had territorial

ambitions in the West Bank, part of its former territory, saying that Jordan would renounce its claims over Jerusalem once the Palestinians gained sovereignty in the city. (A clause in Jordan's peace treaty with Israel recognises the kingdom's „special status“ in Muslim holy sites in Jerusalem, which had left lingering doubts over Jordan's ambitions.) Almost simultaneously, the kingdom initiated a clamp down on members of the Palestinian Islamic Resistance Movement, Hamas, recognised by Israel and the West as a „terrorist“ organisation. The crackdown resulted in the arrest and deportation to Qatar of four Amman-based Hamas leaders. Hamas, a main rival to the PLO and Arafat, had been permitted to operate from Jordanian territory by King Hussein, who manipulated the organisation to both annoy and pacify Arafat in an historic rivalry between the two leaders.

Although many pro-Palestinian voices regarded the latter move as provocative to public sentiment generally sympathetic to Hamas cause and intimidating to Jordan's Palestinian population, the move against Hamas satisfied many Jordanian strategy needs: It helped satisfy Western and Israeli demands for a crackdown on „terrorism“; it removed a key irritant in Jordanian-Palestinian relations and conformed to a regional trend to isolate radical Islamic movements or to reshape them as true political players in order to bring the peace process to a successful conclusion with all concerned parties. The latter is particularly important to Jordan, which regards peace as an imperative condition for its own national political and economic security, but realises that her own treaty with Israel and the benefits it brings to the state cannot continue to thrive and accrue independently of comprehensive regional peace.

This exercise in distancing, however, was brought to an early end by the beginning of the Palestinian intifada in the West Bank and Gaza in late September 2000, which has required that the king put Palestinian affairs back at the top of his agenda, and required his key involvement in salvaging the process.

The uprising also has put enormous popular pressure on the regime to respond to Israeli aggression with a harder line, although strategic economic and political interests make this impossible. Violent protests that erupted in Jordan in the wake of Palestinian-Israeli clashes and the shooting of Israeli diplomats in Amman were reminders of how vulnerable Jordan is to a spillover of violence from the Palestinian territories. As long as the intifada carries on, popular pressure on the regime to act – by expelling the Israeli ambassador to Jordan or by permitting the return of Hamas to the Kingdom, for example – will increase. Pressure will be intensified by calls from more radical Arab regimes, such as Syria and Iraq, and radical political movements that urge the abrogation of peace treaties and the severing of diplomatic and lower-level commercial ties with Israel. There are fears that the continuation of the intifada will make the treaty with Israel unsustainable, although any attempt at retreat from the provisions of the treaty will put Jordan in direct confrontation with the US, a key strategic ally of the regime.

Meanwhile, Jordan and the superpower are likely to find themselves at odds over Jordan's Iraq policy. **Although King Abdullah might like to follow a path of political estrangement with Baghdad in order to keep relations with the US smooth, Iraq's vital importance to the Jordanian economy is mak-**

ing this impossible. Iraq is not only Jordan's largest bilateral trading partner but is its sole supplier of crude oil and crude derivatives, which Iraq supplies for free and at discounted prices under an annually renewable protocol. Exorbitant world oil prices in late 2000 caused a little panic in Amman that Iraq would demand a higher per barrel price than it had in the past, and economists estimated that for every dollar the price of oil went up, the budget deficit would widen by some \$ 30 million. This consideration finally forced the King to take a more aggressive anti-sanctions stance ahead of the renegotiation of the oil protocol in late 2000 to guarantee extremely favourable treatment. King Abdullah told Arab states, during the emergency Arab Summit convened in Cairo in October 2000 to address the Palestinian intifada, that the situation in Iraq required an urgent solution to protect civilians under sanctions and that preserved the territorial integrity of the country. Shortly after, the government terminated the services of Lloyd's Register, stationed by the UN in the port of Aqaba to inspect Iraq-bound goods moving through the port to ensure sanctions compliance – a service paid for by Jordan. And Jordan became the first Arab country to dispatch a prime minister to the beleaguered country in November 2000, when the protocol was renegotiated.

However, oil prices have not been the only influencing factor in the move towards Baghdad. The slow but sure erosion in the court of international public opinion of the sanctions regime, to which Jordanian public has been firmly opposed, has made Jordan's continued insistence on upholding the sanctions untenable.

While Washington has stated its „understanding“ of Jordan's need to maintain good ties with

Iraq for economic purposes, it is not likely to be as sympathetic towards Jordan's new „reading“ of UN sanctions resolutions that allows commercial flights to and from the Iraqi capital.

On the foreign policy scene, King Abdullah has struck a delicate balance. He has to reconcile the peace treaty with Israel and the Kingdoms friendly ties with the US while accommodating public sentiment through improving ties with all Arab states, including Syria, Iraq, Libya and Gulf countries.