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Economic Democracy against Liberal Democracy: The Arab World as a Case Study

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ABSTRACT

This study aims to critically examine the distinctions between liberal democracy, rooted in neoliberal capitalist principles, and economic democracy, a concept that has been systematically marginalized—especially in Arab countries undergoing democratic transitions following the so-called Arab Spring. It highlights how this marginalization often resulted from efforts by ruling elites, both Islamist and secular, to secure legitimacy and recognition from Western powers, while neglecting the social and economic demands that fueled the revolutions. Furthermore, the study investigates the instrumental role of Western-funded civil society organizations in shaping these transitions and influencing their outcomes. By focusing on the Arab context, this research sheds light on the broader implications of neoliberalism and colonial legacies on democratic processes.

Keywords: Economic Democracy, Liberal Democracy, Arab Spring, Civil Society, Colonialism, Neoliberalism.

INTRODUCTION

Democracy has been the most celebrated system of government today. This is so, to the extent that it has become the trademark of quality that every government sought if not more than to have it at the face figure (Olaniyan, 2024, p. 1). Especially in the context of the new world order following the fall of the Soviet Union, democracy—modeled on the Western liberal paradigm—has become a means through which every state seeks to affiliate with the Western camp and avoid being treated as a pariah or classified as part of the "axis of evil. The system of government in practice in most countries of the Global South, especially in the Arab region, is a legacy of colonialism, and decolonizing these states entails replacing it with indigenous systems rooted in their own contexts .It is well known that most political entities in the Arab world were established by colonial powers (Sykes–Picot), and the colonial legacy still persists throughout the region. This is evident in the official policies of Arab governments, which serve the interests of the former colonizer rather than those of their peoples. They do not operate according to their own political cultures, but rather according to foreign, colonial political cultures. As a result, the democratic condition in the Arab world can be described as distorted.

The prevailing global discourse today seeks to use democracy as an imperial tool for domination and interference in the sovereignty of the Global South, monopolizing democracy through a Western narrative. Through this monopolistic discourse, it attempts to impose a paternalistic role on the countries of the South — in Africa, Asia, and Latin America — teaching them the so-called "basics" of democratic governance, and even

intervening militarily "to liberate peoples" from their rulers and make them live under a Western-tailored democratic system. (Sa'di, A. 2025)

This logic extends beyond politics to historical studies and epistemology, where democracy is traced back to Greece as the civilizational root of Europe and the West, suggesting that the West's knowledge of this system proves its cultural superiority over the Global South and other non-European peoples. Yet such a claim is unfounded: to trace democracy's birthplace solely to Greece is baseless — a form of Eurocentrism. Organized systems of collective governance existed in many regions long before the 5th century BC. We may speak of pre-Babylonian Mesopotamia, the Indian independent "republics" of the Ganas and Sanghas, the Roman governmental system of the 4th century BC, and, returning to Africa, the Ashante, the Akan, Benin, Sokoto, and the old Oyo Empire (Olaniyan, 2024, p. 4)

In today's world, democracy is recognized as both a theoretical idea and a form of government that holds a unique position, largely unaffected by intense academic or worldly controversies. Presently, no scholar can dismiss or oppose democracy and expect to be taken seriously. However, in the Polis of Athens, the birthplace of democracy, the prominent philosophers were critical and often disparaging of this system of governance (Sa'di, 2025, p. 1)

My intent in this paper is not to criticize democracy as a utopian notion but rather to point out some of the Western's model's failings and offer, in its stead, a non-evaluative concept of democracy that precludes its abuse as a justification for grave breaches of citizens' rights based on race, class or ethnicity. The first section of this paper explores the historical and theoretical foundations of democracy, critically examining its evolution from classical Athens to contemporary Western models. I will analyze liberal democracy, highlighting both its ideological principles—such as human rights, representative governance, and the rule of law—and its structural limitations, including the concentration of power, economic inequalities, and the marginalization of certain groups both domestically and globally. This section also addresses critiques from Marxist, elitist, and postcolonial perspectives, showing how liberal democracy often serves the interests of economic elites and dominant Western powers rather than ensuring genuine political and economic equality. Furthermore, the section will present economic democracy as a compelling alternative, drawing on the works of John Rawls, Amartya Sen, and other theorists, emphasizing the need for equitable access to resources and opportunities to ensure that political freedoms are meaningful and inclusive. Through this discussion, the section aims to provide a comprehensive understanding of the theoretical, historical, and practical dimensions of democracy, setting the stage for a deeper examination of its limitations and potential reforms. Finally, the section will consider how the separation of politics and economics and the subordination of democracy to market forces limit the transformative potential of democratic institutions, creating what can be called "low-intensity democracy," where citizens' choices have little real impact on their lives. This phenomenon reflects the broader issue that the concept of democracy has been largely ideologized, and Western (ab)uses of democracy as a form of moral capital in international relations are critically assessed (Sa'di, 2025, p. 3)

The second section of this paper explores the challenges of implementing democracy in the Arab world, particularly during the Arab Spring, taking into account the legacies of authoritarian rule and neoliberal economic policies.(Zgurić, B. (2012) Post-colonial Arab states often concentrated power in centralized authorities, limiting political pluralism and civil society participation. Neoliberal reforms—such as privatization and deregulation—exacerbated social inequalities and economic exclusion, particularly affecting youth and marginalized groups, creating conditions for widespread protests. The international financial crisis that happened in 2008 further threaten confidence in the neoliberal system that had dominated politics since the 1990s. The industry domain struggled, and many working- and middle-class individuals became victims of globalization, intensifying economic and social inequalities. The slow recovery and the premature adoption of fiscal austerity led to public discontent, while disparities between regions and social classes within countries grew increasingly pronounced. (Pierson, P. 2002)

In the context of the Arab Spring, these dynamics became particularly evident. Neoliberalism and political rationality, which emphasize economic efficiency and free markets at the expense of social justice, exposed institutional weaknesses and economic injustice, contributing to widespread popular demands for freedom and accountability. The Arab Spring thus revealed both the promise and limitations of democracy: citizens demanded rights and transparency, yet fragile institutions, political fragmentation, and external influences often undermined these efforts. Drawing on postcolonial, Marxist, and participatory perspectives, this section shows that political freedoms alone are insufficient without equitable access to resources and opportunities. Sustainable democracy, therefore, requires not only elections but also institutional checks, protection of civil liberties, and inclusive economic policies, highlighting the tension between genuine democratic aspirations and the constraints on effective political participation.

Democracy between Liberal Reductionism and the Economic Alternative

During classical antiquity, the term democracy emerged in the political and philosophical thought of Athens, where Cleisthenes laid the foundations of what later became known as Athenian democracy (Sa'di, 2025, p. 3)

From its origins—literally derived from demos (the people) and kratos (power)—democracy has evolved into a system whereby citizens exercise authority directly or through elected representatives. Liberal democracy, in particular, is often described as a form of government resting on popular consent and bound by respect for individual rights. As Bell and Russell explain, it relies on representative institutions, the separation of powers, the rule of law, a market economy, and the protection of civil and political liberties (Olatunde, 2022, p. 530)

Yet scholars such as Macpherson have underlined the need to rethink its foundations, while others, like Weber, revealed the elitist and imperial assumptions embedded in Western democratic thought, claiming that "only master nations have a calling to intervene in the radius of global development" (Sa'di, 2025, p. 2).

Moreover, Western democracies themselves have not always respected the norms they advocate; as former U.S. Federal Reserve Chair Alan Greenspan candidly admitted, the Iraq war was "largely about oil" (Sa'di, 2025, p. 8).

These insights invite a critical appraisal of liberal democracy, opening the way for an exploration of its structural weaknesses and of possible economic alternatives.

In light of the foregoing, to what extent can liberal democracy be regarded as fragile and limited system?

The Enduring Vulnerability of Liberal Democracy:

The instability of liberal democracy becomes most apparent when examining the way it fragments human existence, dividing political life from economic life as though they were separate spheres, despite their inherent interdependence. This condition, often captured through the metaphor of a "liberal virus," illustrates how individuals are reduced to living in contradictory roles rather than as integrated beings. The virus caused among its victims a curious schizophrenia. Humans no longer lived as whole beings, organizing themselves to produce what is necessary to satisfy their needs (what the learned have called "economic life") and simultaneously developing the institutions, the rules, and the customs that enable them to develop (what the same learned people have called "political life"), conscious that the two aspects of social life are inseparable. Henceforth, they lived sometimes as homo oeconomicus, abandoning to "the market" the responsibility to regulate their "economic life" automatically, and sometimes as "citizens," depositing in ballot boxes their choices for those who would have the responsibility to establish the rules of the game for their "political life." (Amir, 2004, p. 8).

Over the past fourteen years, liberal democracy has experienced a notable decline following a period of global expansion that peaked in 2005. This has been particularly evident following successive global economic crises, such as the 2008 financial meltdown, as well as the economic and social repercussions of the COVID-19 pandemic in recent years. These economic and social shocks have exposed the fragility of liberal democracy and its lack of universal healthcare systems and social programs to protect the most vulnerable groups in society from the consequences of such crises. We have witnessed how many Western countries resisted implementing strict quarantine measures under the pretext of maintaining productivity and protecting corporate interests, while the absence of adequate healthcare led to thousands of deaths daily among COVID-19 patients who could not access necessary medical care.3 Liberalism requires from its supporters to adopt the Wilsonian internationalism, a fatally flawed basis for international relations (Galston, n.d., p. 15), not least because its universalist ethos has often produced double standards, justified military interventions under the banner of promoting democracy or protecting human rights, and undermined the sovereignty of states when their policies or political systems failed to align with liberal norms.

Despite the problems mentioned above that affect contemporary democracies, the democratic political system has, since World War II, become a source of moral authority in international politics. Ex-colonial powers argue that, given their liberal-democratic regimes, they embody lofty values and, therefore, have the right to interfere in other countries' affairs and determine just and unjust causes globally (Sa'di, 2025, p. 7)

Many of these operations targeted popular leaders who implemented progressive policies in their countries, including Sukarno, the first president of Indonesia; Kwame Nkrumah, the first president of Ghana and advocate of Pan-Africanism; Gamal Abdel Nasser, the second president of Egypt, who launched social projects to modernize the country and improve the living conditions of the poor; and Omar Torrijos, the Panamanian president who negotiated the 1977 treaties that ultimately granted Panama full sovereignty over its canal (Sa'di, 2025). At the same time, these actions reflect how academic discourse has sometimes aligned with the hegemonic ambitions of the United States and its imperial ordering of the world, overlooking not only the progressive and egalitarian impacts of socialist measures on populations but also the potential for alternatives to capitalist development to emerge from the Global South. This potential was exemplified in the Arab-African (CENSAD, African Union) and Latin American (ALBA, PetroCaribe) solidarity projects championed politically by these revolutionary formations, aiming to foster the pursuit of alternative global orders (Capasso, 2023, p. 563).

for example, many argues that democracy has replaced previous discourses– such as race and development – that the West used to create hierarchised population categories (races, nations, religious groups) which endowed it

with the moral authority to dominate and exploit other nations and peoples under the pretext of "spread Democracy" (Sa'di, 2025, p. 8).

Meanwhile, supporters of American imperialism reintroduced the 'White man's burden' as a justification for US domination, claiming that it was their duty to teach non-white nations how to build democratic governments on the liberal model and situates them as the object of imperialist domination (Sa'di, 2025, p. 10).

The fact that L/DPT re-emerged after World War II and received special attention following the end of the Cold War points to its reflection of Western optimism and triumphalism. The theory portrays developing nations' populations as awaiting Western power to salvage them from their moral deficiencies and dismal conditions, and it situates Western involvement in these countries as invariably moral and just (Sa'di, 2025, p. 11).

As we mentioned earlier, the term democracy originated in classical antiquity in ancient Greece. However, there are striking similarities between the structure of Athenian democracy and that of modern liberal democracy. Athenian democracy, often celebrated as the earliest model of direct popular rule, was in fact built upon deep contradictions. While free male citizens enjoyed political rights and active participation in public life, large segments of society—slaves, women, the poor, and foreigners—were excluded. The system was sustained by the exploitation of slaves, many of whom were non-Greeks labeled as "barbarians." This reliance on forced labor enabled citizens to devote themselves to politics, while agreements between Greek city-states ensured the suppression of slave revolts. Thus, Athenian freedom was in many ways a privilege of the few, resting on domination and exclusion. A similar paradox can be observed in modern liberal democracies. Despite their proclaimed commitment to liberty and equality, they continue to reproduce inequalities both within and beyond their borders. Domestically, political influence is often concentrated in the hands of elites, leaving ordinary citizens with limited power, echoing the exclusions of ancient Athens. Internationally, Western democracies have maintained their prosperity and political dominance through colonialism and contemporary forms of neo-imperialism, extracting resources and exploiting populations in the Global South. In this sense, just as Athenian democracy was possible because of slavery, modern liberal democracy has flourished partly through internal inequalities and external exploitation. Freedom and political participation remain tied to structures of privilege and power, raising enduring questions about the inclusiveness and justice of democratic systems across time.

This recalls Karl Marx's and Frederick Engels' argument regarding the connection between liberal democracy and the bourgeoisie: they contended that the democratic system of government was created to save the interests of the capitalist class, famously stating in The Communist Manifesto that "The executive authority of the modern State is just a committee for controlling the common affairs of the bourgeoisie. (Marx & Engels, 1848, p. 37).

Various scholars have shown that, in liberal democracies, politicians, on the whole, tend to adopt more friendly policies for businesses, corporations, and the rich than for other segments of society. William Domhoff, in his book *Who Rules America?*, argued that despite the regularity of free elections, corporations and the super-wealthy have been able to advance their interests and dominate key issues in the United States by supporting foundations, think tanks, opinion-shaping mechanisms, lobbyists, and politicians. Indeed, politicians in democracies cannot win without substantial donations in today's post-modern political landscape, where elections involve significant expenses.

I argue that the problem with Western democracy is structural and enduring. It has to do, first,

with the construction of hierarchies at home among citizens and internationally among states and, second, with the existing democratic systems through which such inequalities lead to exclusion, domination, and exploitation (Sa'di, 2025, p. 13).

One of the most important strategies that have been used to sustain a purified image of western democracies is strategies have been used to sustain a purified image of Western democracies. the second involves hierarchising nations and states, a strategy evident in the tables that Freedom House produces. These classifications abstract countries from their histories, culture, and the prevailing international order, ordering them according to variables deemed essential by Western scholars. Such classifications embody interwoven power/knowledge and are often used either to bully rulers of global south countries or as a pretext for imposing sanctions or intervening in their affairs (Sa'di, 2025, p. 14).

In fact, the global expansion of capitalism, due to its inherently polarizing nature, often necessitates political intervention by dominant powers to secure and maintain their economic interests. Economic laws alone cannot ensure the favorable conditions required for capital accumulation; these must be complemented by political—and, if necessary, military—support from central states. The 2003 U.S. invasion of Iraq exemplifies this dynamic. Publicly justified under the pretext of dismantling weapons of mass destruction and promoting democracy, the intervention also aimed to secure strategic control over Iraq's oil resources and reshape its political system according to Western economic and political interests. In doing so, the United States sought to impose its own model of democracy—a liberal capitalist one—while disregarding the Iraqi people, who had enjoyed free education and healthcare, benefits that many Americans under their own liberal democracy lack. American military and political involvement facilitated the establishment of a market environment favorable to multinational corporations

and foreign investors, highlighting how the expansion of global capitalism is often inseparable from deliberate interventions by powerful states in the domestic affairs of the global South, and how liberal democracy abroad can serve primarily the interests of capital owners and corporations rather than the local population. Washington's objective in Iraq, for example, (and tomorrow elsewhere) is to replace the national dictatorship by others that serve the intrests of the american companies. The globalized "liberal" economic order requires permanent war-military interventions endlessly succeeding one another-as the only means to submit the peoples of the peripher to its demands (Amir, 2004, p. 24).

Furthermore Liberal democracy has revealed its fragility over time, especially given its close ties to the market and capitalism, to the point that it becomes a "low-intensity democracy." In reality, citizens' choices in political life are largely dictated by major corporations. The political system in the United States offers a clear example of this: large companies and lobbyists support candidates who serve their interests. When a candidate threatens to challenge these interests—such as by proposing restrictions on gun ownership—they are immediately attacked by weapons companies and major lobbyists, losing crucial campaign support. In other words, citizens' voting freedom and political choices become largely symbolic, while real decisions and the course of economic and political life are determined by the market and centers of economic power, far from the will of the people. The citizen can vote for any candidate he wish but at the end of the day, it will have no effect; because the market is the place where the desicions are taken (Amir, 2004, p. 24). This separation between politics and economics removes any revolutionary potential of democratic politics (liberal democracy). This means that your future as a citizen in liberal system does not depend on your electoral choice but on the uncertainties of the market. Given these fundamental limitations of liberal democracy and its inability to align political freedom with economic realities, a pressing question arises: how can democracy be reimagined to give citizens genuine economic power, rather than leaving their fate to the uncertainties of the market.

Economic Democracy as an Alternative

Democracy remains confined to the political sphere in the world and has not extended to other dimensions of society. Economic monopoly and wealth concentration continue to be the dominant features—indeed, they are even on the rise within the societies of all nations, both among the capitalist core and the peripheral countries, albeit to varying degrees. With economic monopoly, political democracy, despite its importance, becomes formal and incomplete. This is because the capacities of those who possess wealth, control job opportunities, own institutions of education, media, advertising, and opinion-shaping, and have the power to influence politicians, government leaders, and religious authorities—while promoting and even imposing their ideas through multiple channels—cannot be compared to those who possess little or no significant power at all. Political monopoly and economic monopoly are, therefore, two sides of the same coin, sharing the same nature: there can be no political democracy without economic democracy (Saifan, 2020, p. 13).

In this context, economic democracy emerges as a necessary complement to political democracy. It emphasizes equitable access to essential resources such as public infrastructure, universal education, healthcare, cultural and sports programs, as well as targeted support for marginalized groups. Achieving this vision requires just fiscal policies, including progressive taxation on high profits and the reduction or elimination of regressive taxes like VAT. The role of the state is also central: it must be strong enough to prevent economic domination, yet flexible enough to preserve individual freedoms and creativity. This delicate balance has been captured by the metaphor of holding a bird—too tight a grip suffocates it, while too loose a grip lets it escape. Ultimately, economic democracy provides a path to reconcile political freedom with social and economic realities, ensuring that democracy becomes not merely a political formality but a lived experience of fairness, opportunity, and shared prosperity (Saifan, 2020, p. 23).

Building on this understanding of economic democracy, Amartya Sen's reflections in Development as Freedom reinforce the importance of social conditions in realizing individual freedoms. He illustrates this through the contrast between China and India: while both countries moved toward market reforms, China's prior investments in universal education and basic healthcare created a socially prepared population able to seize the opportunities of the market, whereas India's persistent illiteracy and weak social infrastructure limited its capacity to benefit from similar reforms. The lesson here is clear: without equitable access to education, healthcare, and other essential resources, democracy—whether political or economic—remains hollow. Thus, the call for economic democracy is not merely about redistributing wealth but about constructing the social foundations that allow all citizens to exercise genuine freedom and participate meaningfully in shaping their collective future (Sen, 2000, p. 42).

Amartya Sen in this context discusses the trade-offs between China's and India's different development strategies. While China's prior investments in universal education and healthcare gave it an advantage in leveraging market reforms, its lack of democracy is a significant handicap. Sen highlights this by contrasting their experiences with famine. The absence of a democratic government in China, and thus a lack of public accountability, led to

what was likely the largest recorded famine in history during the Great Leap Forward. In stark contrast, India has not experienced a famine since its independence in 1947, which Sen attributes to the protective power of its democratic system. The main point is that democracy, while not always perfect, is crucial for ensuring a government's responsiveness to social crises, acting as a vital safeguard against catastrophic events that can undermine development and human freedom (Sen, 2000, p. 43), because famines do not occur in de mocracies. Indeed, no substantial famine has ever occurred in a democratic country-no matter how poor. This is because famines are results to dictatorship since they did not happen in countries under democrtaic regimes with populair controlling over the resourses of the goverment. This would indicate that political freedom in the form of democratic arrangements helps to safeguard economic freedom (especially free dom from extreme starvation) and the freedom to survive (against famine mortality) (Sen, 2000, p. 52).

Martya Sen's idea of real freedoms and capabilities can be directly linked to the concept of economic democracythrough their shared goal of empowering individuals to lead meaningful lives and make free choices. Sen emphasizes that development should not be measured solely by income or happiness, but by the real opportunities people have to do what they value in life, such as accessing adequate health care, education, and leading a dignified life (Sen, 2000, p. 53).

Economic democracy, in turn, seeks to distribute economic power and resources in a way that enables people to participate in economic decision-making and have fair access to opportunities, rather than leaving outcomes solely to market forces. This concept enhances the real freedoms that Sen discusses because it provides individuals with the means and opportunities to expand their capabilities. When people can access resources and make decisions that affect their own lives, they are not merely recipients of income or benefits; they are active participants in improving the quality of their lives (Sen, 2000, p. 52).

Moreover, the transparency and participatory mechanisms inherent in economic democracy align with Sen's insistence on the importance of comprehensive information for evaluating well-being. Just as Sen argues that freedom and capabilities depend on the availability of relevant information for ethical and social judgments (Sen, 2000, p. 58), economic democracy ensures that people have access to the knowledge and power needed to make informed economic choices.

In other words, applying the principles of economic democracy can be seen as a practical pathway to achieving real freedom, because fair distribution of resources and opportunities supports the development of individual capabilities. This allows people to be active agents in their own lives rather than passive beneficiaries, which is exactly the approach Sen promotes in his capability-based view of development (Sen, 2000, p. 54).

While Amartya Sen's capability approach emphasizes the practical conditions that allow individuals to expand their freedoms and lead meaningful lives, his arguments also resonate with broader normative theories of justice. In particular, Sen's insistence that real freedoms depend on equitable access to resources and opportunities aligns closely with John Rawls' framework, which provides a systematic justification for both liberty and fairness. Where Sen highlights the role of democracy and social provisions in expanding people's capabilities, Rawls offers a complementary foundation by articulating principles that ensure equal basic liberties, fair opportunities, and distributive arrangements that benefit the least advantaged. This connection makes Rawls' theory of justice a valuable conceptual bridge to economic democracy, reinforcing and extending Sen's vision by grounding it in a coherent philosophical model of justice.

John Rawls' theory of justice established a strong basis for economic democracy as an alternative to liberal democracy. Rawls confirmes that basic liberties are protected and must be equally distributed: "First: each person is to have an equal right to the most extensive scheme of equal basic liberties compatible with a similar scheme of liberties for others" (Sen, 2000, p. 54). These liberties include political freedom, freedom of speech, personal integrity, and freedom from arbitrary arrest, forming the foundation of a just society. Moreover, Rawls recognizes that social and economic inequalities can exist, but only if they satisfy two conditions: "(a) reasonably expected to be to everyone's advantage, and (b) attached to positions and offices open to all" (Rawls, 1999, p. 52). This framework prevents the sacrifice of fundamental liberties for economic gains: "Being arranged in serial order they do not permit exchanges between basic liberties and economic and social gains except under extenuating circumstances" (Rawls, 1999, p. 54). Moreover, Rawls argues that "all social values—liberty and opportunity, income and wealth, and the social bases of self-respect—are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone's advantage" (Rawls, 1999, p. 53). In other words, inequalities are justified only if they improve the situation of the least advantaged members of society, a principle directly supporting the idea of economic democracy as a system prioritizing social and economic equity. Finally, the principle of efficiency ensures that no one is made worse off without benefiting others: "The principle states that an arrangement is efficient whenever it is not possible to transform it so as to make some persons (at least one) better off without at the same time making other persons (at least one) worse off" (Rawls, 1999, p. 57). In the context of the Arab world, where liberal democracy often prioritizes procedural freedoms without guaranteeing

economic fairness, Rawls' framework provides a theoretical justification for systems that combine both liberty and equitable social outcomes.

Considering the broader implications of economic democracy, Joseph Massad, one of the prominent scholars that he discussed economic democracy as an alternative to liberal democracy, emphasizes that genuine freedom cannot be achieved through political rights alone. For Massad, the core of societal well-being lies in economic democracy: guarantee that all citizens have access to essential resources such as education, healthcare, employment, and decent housing. He argues that without economic equity, political representation alone fails to provide meaningful control over one's life or the ability to shape society in a just manner. Massad's writings highlight economic democracy not merely as a policy preference, but as a central prerequisite for human dignity and social justice (Massad, 2021).

These reflections raise pressing questions about the Arab world, particularly in the aftermath of the Arab Spring. The promises of liberal democracy, when filtered through the lens of neoliberalism, have often resulted in the deepening of social and economic inequalities rather than their reduction. Far from paving the way for genuine economic democracy, neoliberal reforms have tended to undermine the very conditions necessary for building it. The Arab experience thus calls into question whether liberal democracy, as practiced under neoliberal frameworks, can ever deliver the justice and equity it promises. This tension will frame the discussion in the following section on the Arab world between neoliberalism and the state of exception.

The Arab World Between Neoliberalism and the State of Exception

At the end of the 20th century a disease invaded the world. Many people survived, but all suffered from it. The virus which caused the epidemic was called the "liberal virus". (Amir, 2010, p. 8). Over time, this virus evolved and gave rise to a new variant known as neoliberalism. In the West, movements like Occupy Wall Street exposed liberal democracy's subordination to corporate power and neoliberal policies, revealing rising inequality, unemployment, and insecurity, even among the middle classes, while leaving capitalism itself unchallenged (Bayat, 2017, p. 13). From a neo-Marxist perspective, neoliberalism promotes capitalist interests under the guise of neutrality, turning civil society into a marketplace and making the state more accountable to economic powers than to citizens, thereby escaping democratic control (Laruffa, 2023, p. 598). Its dominance is so entrenched that resisting it risks being seen as denying the moral and political superiority of liberal values (Nicolacopoulos, 2008, p. 3). I dispute that Neoliberalism is both an ideology and a political practice wants to make the state under subordinating condition. the state and all social classes to market logic, thereby undermining democracy (Laruffa, 2023, p. 587). It first emerged in the Great Depression as a refresh of classical liberalism in response to the capitalist crisis, with thinkers such as Friedrich von Hayek and Milton Friedman shaping its foundations. (Laruffa, 2023, p. 587). Its political influence grew in the 1970s with the "Chicago Boys" in Pinochet's Chile, and in the 1980s under Thatcher in the UK and Reagan in the US, before becoming the dominant global ideology after the collapse of the Soviet Union (Laruffa, 2023, p. 587). At its core, neoliberalism transforms civil society into a marketplace of producers-consumers, weakening democratic accountability and making the state more responsive to global economic powers than to citizens. However what are the implications of these neoliberal policies in shaping political rationality, and how have they affected the Arab world and the outcomes of the Arab Spring after 2011?.

Neoliberalism and Political Rationality

Neoliberalism extends far in order to make the content of democracy indicates to market values; it radically reshapes the principles, practices, cultures, subjects, and institutions of democracy understood as rule by the people (Brown, 2015, p. 9). More than merely cutting away the flesh of liberal democracy, neoliberalism cauterizes its more radical expressions, those episodic uprisings across Euro-Atlantic modernity that sought more robust versions of freedom, equality, and popular rule than liberal democracy could accommodate (Brown, 2015, p. 9). The claim that neoliberalism is profoundly destructive to the fiber and future of democracy rests on understanding it not only as an economic policy or ideology, but as a pervasive normative order of reason. Over three decades, this order has developed into a governing rationality that transforms every human domain, along with human beings themselves, according to a specific economic logic (Brown, 2015, p. 30).

Under neoliberal rationality, all conduct is framed as economic conduct, and all spheres of existence—including education, health, social relations, and political participation—are measured in terms of efficiency, profitability, and competition. Individuals are reduced to *homo oeconomicus*, units of investment and competition, rather than bearers of rights or civic subjects (Brown, 2015, p. 10). As economic parameters dominate every domain, the limited form of human existence identified by Aristotle as "mere life" and by Marx as life "confined by necessity"—concerned with survival and wealth acquisition—becomes ubiquitous, while the ethical and political capacities for freedom, creativity, and unbounded reflection, which Aristotle and Marx considered the true essence of "the good life," are systematically eliminated (Brown, 2015, p. 37).

Neoliberalism also transforms governance itself. Obama's January 2013 State of the Union address, for instance, repackaged liberal social policies as economic stimulus, promising competitiveness, prosperity, and recovery from the 2008 financial crisis. While this packaging aimed to co-opt opposition and reconcile social justice with economic growth, it exemplifies how in neoliberal governance, democratic commitments to equality, liberty, inclusion, and constitutionalism are subordinated to economic imperatives. Government is both responsible for fostering economic health and for subsuming all other pursuits—except national security—under this goal. Democratic values no longer stand independently but serve the logic of economic growth, competitive positioning, and capital enhancement (Brown, 2015, p. 26).

Michel Foucault, in his 1978–1979 lectures at the Collège de France later published as *The Birth of Biopolitics*, analyses neoliberalism not merely as an economic doctrine, but as a political rationality—a specific "art of government." Unlike classical liberalism, which aimed to limit state power in the name of individual rights, neoliberalism reorganizes the relationship between state, market, and individual. It does not simply advocate for the retreat of the state; rather, it demands that the state ensure competitive conditions and let the "truth" of market mechanisms guide its action. In this framework, the market is not merely a site of justice, as in the tradition of the "just price," but a site of veridiction, where prices, competition, and performance reveal efficiency or inefficiency. Government is judged not by abstract rights or distributive fairness, but by its alignment with market rationality. This transforms liberal governance into what Foucault calls a "government of freedom," where freedom itself becomes both an instrument and an obligation. Individuals are encouraged to see themselves as entrepreneurs of the self, responsible for investing in their "human capital" through education, skills, and productivity (Foucault, 1978, p. 45).

Furthermore, neoliberalism depoliticizes economic decision-making by insulating it from democratic pressures. The critique of neoliberal scholars targets not state power per se, but democratic governance: the influence of citizens in economic decisions is seen as generating "distortions" and threatening investor confidence. The neoliberal solution is to impose constitutional limits on popular power, moving economic decisions into the sphere of technocratic expertise. In extreme cases, this logic even legitimizes authoritarian regimes, as in Pinochet's Chile, to safeguard economic stability (Laruffa, 2023, p. 590).

This depoliticization produces paradoxical effects globally. In the Global South and Eastern Europe, the "third wave" of democratization in the 1980s and 1990s coincided with rising economic inequality. Democracies were formally established, but central economic decisions remained insulated from citizen oversight, favoring global capital over social welfare. Consequently, both dedemocratization in the Global North and formal democratization elsewhere reinforced inequalities, as economic resources translated directly into political resources, perpetuating a self-reinforcing cycle (Laruffa, 2023, p. 603). In the contemporary historical context, the risk is that interpretative frameworks promoted by right-wing populism—blaming immigrants and minorities for economic insecurity and social dislocation—become hegemonic, obscuring the structural role of neoliberalism.

Neoliberal rationality has also reshaped political activism and imagination. Marxist-oriented activists, who once envisioned revolutionary change and critically assessed regimes, imperialism, and military power, were marginalized by the dominant neoliberal paradigm, where piecemeal technocratic reform and incremental change became the norm (Bayat, 2017, p. 168). As neoliberalism expanded—beginning with Pinochet in Chile, followed by Thatcher and Reagan, and later across much of the globe—the discourse shifted from "state" and "revolution" to NGOs, rational dialogue, civil society, and managed change. This produced a focus on individual self-help and elite advocacy rather than collective, structural activism. Even movements inspired by liberation theology or Marxist principles were replaced by evangelical, consumerist forms of religious engagement that married faith with individual economic success.

In the Arab world, post-Islamist currents similarly abandoned the idea of revolution, embracing reformist politics and free-market economics under the dominance of neoliberal rationality (Bayat, 2017, p. 172). By the time of the Arab uprisings, declining opposition ideologies—anticolonial nationalism, Marxist-Leninism, and Islamism—had delegitimized revolutionary imaginaries, and few activists strategized for systemic change. Activism became NGO-focused, emphasizing human rights, women's empowerment, and development, yet largely limited to elite advocacy, depoliticizing activism and deradicalizing the notion of change (Bayat, 2017, p. 174). Market logic thus shaped social exclusion, dissent, and the very forms of participation available to political actors, youth, women, and opposition movements, including Islamists.

The underlying economic structure reinforces these political transformations. Polarization is not incidental to capitalist expansion but intrinsic to it: economic growth and globalization reproduce inequalities, embedding structural hierarchies between global centers and peripheries. Even brief post-World War II concessions—such as labor victories in the North, national liberation in the South, and the presence of socialist alternatives—were exceptions. With the rise of neoliberal globalization in the 1970s, polarization expanded, and the conditions of imperial dominance over peripheral populations were reasserted.

In conclusion, neoliberalism, as both an ideology and a political rationality, reconfigures the state, democracy, and social life around market logic. It transforms individuals into self-managing economic actors, constrains democratic participation, deradicalizes political activism, and reinforces structural inequalities. This complex of economic and political rationality shapes not only governance and policy but also the very horizon of what is imaginable in terms of social and political change.

The Arab Spring and the Trap of Liberal Democracy

The underlying issue for the Arab uprisings is rooted in a global system where liberalism and its political discourse promise to save the nations of the globe however it just produce a system that deepens inequalities between and within populations (Amir, 2010, p. 30). This pauperization, seen as an integral part of capital accumulation, ultimately makes democracy impossible, either reducing it to a "low-intensity democracy" in the global North or rendering democratic political forms in the peripheries "farcical" (Amir, 2010, p. 30). The historical expansion of this capitalism is defined by polarization, creating an unprecedented, continually growing gap between the system's centers and peripheries (Amir, 2010, p. 30).

The mass uprisings of the Arab Spring—which saw the subaltern subjects struggling to make ends meet engaging in extraordinary politics—were vital to bringing revolts into the social mainstream (Bayat, 2017, p. 93). Urban life in cities like Tehran, Cairo, Istanbul, and Tunis generated paradoxical dynamics that fueled dissent, particularly where the "union of dictatorship and neoliberal pilicies" created constraints while also offering opportunities for networking and voicing dissent(Bayat, 2017, p. 113). These dynamics reached their zenith in the uprisings of the 2010s (Bayat, 2017, p. 113).

However, the revolutions in Egypt, Tunisia, and Yemen followed a trajectory that can be characterized neither as a revolution per se nor simply as reform, but as "refolutions"—revolutionary movements that emerged to compel the incumbent states to change themselves (Bayat, 2017, p. 17). A key peculiarity was their speed: in Egypt and Tunisia, swift mass uprisings dislodged authoritarian rulers, but this rapid victory left little time for the opposition to build their own parallel organs of government (Bayat, 2017, p. 156). The revolutionaries' key anomaly was that they enjoyed enormous social prestige but lacked administrative authority; they achieved hegemony but did not actually rule, opting instead to push for reforms through the regime's existing institutions, such as the judiciary and the military (Bayat, 2017, p. 159).

This reformist strategy resulted in a crucial failure to break from the old order, as the Arab revolutions lacked the intellectual anchor and the radicalism that characterized their twentieth-century counterparts (Bayat, 2017, p. 220). Unlike earlier revolutions informed by philosophers like Locke or thinkers like Ali Shariati, no visionary intellectual current seemed to accompany the Arab Spring. Furthermore, the protagonists lacked a vision for deep change: they were rich in tactics but poor in vision and strategy of transformation (Bayat, 2017, p. 17), failing to propose any serious appraisal of state power or articulate ways to transform it. Their concerns were largely preoccupied with human rights, political accountability, and legal reform, while they took free market, property relations, and neoliberal rationality for granted (Bayat, 2017, p. 159).

The dominance of neoliberal thought among Arab elites has led to a clear deradicalization of political agendas, marginalizing any genuine calls for redistribution or popular control. This has produced a form of "progressive neoliberalism," where rights-based rhetoric is combined with capitalist interests—notably through Western-funded NGOs that emphasize civil liberties while neglecting social and economic justice.

In Tunisia, for instance, both al-Nahda and Nidaa Tounes adopted laissez-faire economic policies, endorsing austerity, wage freezes, and limited public employment—measures that deepened public frustration and reproduced the inequalities that had originally sparked social unrest.

Ultimately, this neoliberal discourse promotes a formal political democracy tied to economic authoritarianism, while undermining the pursuit of economic democracy—the very foundation required for meaningful political freedom. As Marx asserted, no political freedom exists without economic emancipation, a principle echoed by Amartya Sen, who argued that true freedom depends on social capabilities and substantive justice.

The failure of the Arab Spring is related to the fundamentally change of power structure that is explained by Michel Foucault's microphysics of power and Giorgio Agamben's concepts of state of exception. Neoliberalism works as a political rationality producing self-entrepreneurial subjects, flatly dismissing collectivist ideals like real democracy and fair distribution (Bayat, 2017, p. 23). In this context, many experienced what Agamben terms bare life (zoe¯)—the life of a laborer as a slave, indistinguishable from other animals—as opposed to bios—the political life of a citizen (Takeshige, 2025). Individuals were formally endowed with rights yet deprived of the material conditions for their meaningful exercise . Our Arab societies, being immersed in a colonial society to the core , adopted the Western political logic of exclusio inclusio (exclusion through inclusion), where the state controls bodies and determines who is relegated to the margins of bare life (zoe¯) (referencing the Arab application of Agamben's ideas). The Arab revolutions thus remained rich as movement but poor as change, failing to bring a radical break from the old order. Key institutions of the ancien régimes remained unaltered, and the revolutionaries

were ultimately pushed aside or repressed by the rising counterrevolution. As the regimes appeared unchallenged while their neoliberal policies enhanced highly visible marginalization, the popular practices of nonmovements became contentious (Bayat, 2017, p. 137). For instance, in Tunisia, most figures of the former regime were not removed; rather, they were brought back to power through the very institutions established by the revolution. This is evident in the case of Abir Moussi and her party, who later contributed—through their populist and confrontational style—to creating confusion and controversy around the role of the Tunisian Parliament. This ultimately led to the activation of Article 80 of the Constitution, resulting in the July 25 movement led by President Kais Saied. In the end, the refolutions offered the advantage of ensuring orderly transitions and avoiding the violence and chaos of revolutionary excesses but at the cost of failing to achieve the deep transformation demanded by the subaltern subjects.

CONCLUSION

This study has critically examined the fundamental disconnect between liberal democracy, constrained by the logic of neoliberal capitalism, and economic democracy, revealing the systemic structural limitations that ultimately undermined the aspirations of the Arab Spring. Our analysis concludes that democracy, in its Western liberal form, often functions as a competitive, elitist regime built upon internal inequalities and external exploitation, whose purified image is sustained by the creation of a "myth" that obscures its colonial and neo-colonial underpinnings. The prevailing neoliberal rationality has exacerbated this fragility, effectively reducing political freedom to a symbolic gesture and turning democracy into a "means to ensure the one-sided dictatorship of capital." This was devastatingly demonstrated in the Arab world, where the uprisings devolved into "refolutions" that, lacking a radical intellectual anchor and a vision for economic transformation, embraced the free-market paradigm. By prioritizing legal and civil reforms while taking neoliberal austerity for granted, these movements failed to achieve the necessary break from the old order, leaving the apparatus of the ancien re´gime intact and relegating many citizens to "bare life" (zoe¯)—formally free but deprived of the material conditions for meaningful self-governance.

The path forward, in light of the foregoing, necessitates a decisive departure from conventional liberal paradigms and their underlying assumptions about market freedom and formal citizenship, in favor of a more profound project aimed at reconstructing democracy on socially and economically just foundations. This approach recognizes that political liberation cannot be achieved without economic emancipation.

This core conclusion compels a critical re-evaluation of public policies designed to enhance political equality by alleviating material burdens and strengthening social justice as prerequisites for civic participation. Measures such as reducing housing eviction rates and guaranteeing the right to legal counsel in housing disputes are not merely social reforms; rather, they constitute mechanisms for redistributing opportunities for civic and political engagement, empirically proven to expand voter participation and empower marginalized groups within the democratic process.

At the theoretical and methodological levels, the central challenge for political and social research lies in liberating the study of democracy from universalist, Western-centric models, and instead focusing on uncovering the structural and cultural impediments unique to each society. This shift calls for the recovery and adaptation of indigenous institutional and intellectual traditions—such as the concept of Shoura (consultative governance) in Arab-Islamic contexts—to develop hybrid, context-sensitive democratic models that reflect their own civilizational trajectories. Such an approach not only broadens the epistemological horizons of democracy but also opens pathways toward plural, equitable, and culturally grounded forms of political modernity.

Declaration of Conflicting Interests

The author(s) declare and confirm that there is no conflict of interest in relation to the publication of this study.

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