Leavening Neoliberalization’s Uneven Pathways: Bread, Governance and Political Rationalities in the Hashemite Kingdom of Jordan

Abstract

Techniques of governance in the Hashemite Kingdom of Jordan do not follow a single or unifying logic. Despite a more than decade-long shift towards a neoliberal orientation, market-disciplinary policies coincide with important exceptions. This article employs a modified variegated neoliberalization approach to explore one such exception. Specifically, it analyzes the recent debate over the country’s bread subsidy to elucidate key elements of Jordan’s socio-economic transformation. The persistence of this long-standing welfare program is linked to the uneven pathways of Jordanian neoliberalization and two potent political rationalities imbricated in this process.

Keywords: neoliberalism, Jordan, bread, welfare, political rationality, authoritarianism
Scholars have frequently described neoliberal economic reforms in the Middle East as the concerted reaction of apprehensive authoritarian elites to external pressures and domestic economic crises. Faced with fiscal predicaments brought on by declines in commodity prices, labor remittances and a stagnant model of state-led development, various governments enacted drastic changes throughout the 1980s and 1990s. Authoritarian incumbents endorsed what was once a set of unthinkable economic reforms, including cuts in politically sensitive welfare programs. These policies were shaped, although not wholly determined, by the requirements of international financial institutions (IFIs) and the preferences of elite economic networks in each country. Over time, policymakers increasingly stated their mistrust in state interventionism, preferring in its wake the creeds of privatization, finance capital and the free market to deliver both economic growth and higher living standards. Market fervor slowly traveled from Santiago and London to Cairo and Beirut. Much of what this typical broad-sweep story tells us is true, yet the danger lies in how it can lead to an over-generalized account of socio-economic transformations in the region. Political struggles, policy outcomes and the institutional-historical circumstances that shape the implementation of pro-market measures appear as the mere consequence of global capitalism or authoritarian designs, rather than as active historical processes. Although pro-market reform has been guided by a series of extensively discussed principles, such dogmas have been erratically and unequally applied (Peck and Theodore, 2012). Their implementation has been selective, strategic and far from uniform (Bergh, 2012; Zemni and Bogaert, 2009). Contemporary forms of governance and rule, as well as the struggles that shape them, are far more composite than prevalent theoretical frameworks would suggest.
In Jordan, market-disciplinary reforms did not lead to the state apparatuses curtailment or disappearance but rather to a reorganized institutionalization of its forms, which had important implications for an array of public policies (Debruyne, 2013; Hourani, 2014a). This article highlights a concrete example of this process. Specifically, it examines the Jordanian government’s bread subsidy, asking why, amidst the contraction of welfare expenditures and the implementation of other pro-market measures, the government still subsidizes the price of bread. In addition to shedding light on a key issue in Jordanian politics, the recent debate over this welfare program problematizes predominant statist-institutionalist accounts of the economic reform process in the Hashemite Kingdom. These works often link pro-market policies to a broader telos documenting neoliberalism’s smooth implementation or unfortunate distortion by entrenched economic interests (al-‘Afif et al, 2013; El-Anis, 2010; Knowles, 2005; Ryan, 2011; al-Sarhīd, 2008; Wils 2004). In contrast, this article seeks to extend scholarship that scrutinizes how not-so-neoliberal practices intersect with the expansion of market-oriented spaces and techniques of governance in Jordan (Daher, 2013; Debruyne, 2013; Hourani, 2014b; Parker, 2009; Schwedler, 2012). It does so by exploring the relationship between two potent political rationalities and one important welfare program.

This essay begins by introducing the theoretical framework it employs. It then sets out with a brief sketch of Jordan’s economic reform process. It explores the ideological tenets and values at the heart of Jordan’s neoliberal project, while tracing the role of pro-market rhetorics in King Abdullah II’s expansive reform experiment. The article then details the ‘fuzzy’ yet potent discourse of ‘Hashemitism’ deployed by the
monarchy and its allies (Frisch, 2002: 86-103; Nanes, 2010: 162-195). After briefly outlining Jordanian food policy and the government’s long-standing subsidy of flour, I examine recent debates concerning this welfare program, witnessed firsthand during eighteen months of fieldwork in the country. Faced with opposition from a variety of groups, proposed reforms to the universal subsidy of Al-Muwahhad wheat flour, popularly known as the ‘bread subsidy,’ have been continually postponed. Despite links to projects of capitalist accumulation and continual prodding by IFIs, changes to the program have been abandoned, while other pro-market reforms have been implemented. The political and rhetorical commitments engendered by “Hashemitism” are crucial to understanding this outcome. I conclude by discussing the advantages of analyzing neoliberalization as a process, one characterized by contingent pathways and anomalous policy outcomes that merit close attention.

*Reconciling Political Economy and Neo-Foucauldian Approaches*

Drawing upon the variegated neoliberalization approach (Brenner et al, 2010), I will use the bread subsidy to explore how techniques of government associated with neoliberalism are being recombined with other forms in fractured governmental ensembles (Collier, 2009). By thinking through neoliberalization as process rather than outcome, this approach more fully incorporates the historical legacies, institutional frameworks and political struggles that mold market-disciplinary reforms through practices of articulation and implementation (Springer, 2011). It also provides the analytical space through which to examine ‘exceptions to neoliberalism,’ those domains or policy sectors that resist, or lie outside, market-disciplinary logics (Ong, 2006: 3). While the sovereign exception, as conventionally understood, marks out excludable
subjects or spaces that are denied juridical protections, Ong (2006: 3-5) argues that they can also mark a positive decision to include. In Jordan, certain exceptions to neoliberalism reinforce erstwhile modes of patronage beneficial to elite networks (Wils, 2004) or the military (Yom, 2013: 132). Others, such as discounted heating oil and subsidized bread, work to ensure basic levels of welfare amongst the country’s poor majority. In either case, these exceptions are as important to understanding neoliberalization and Jordanian politics as the market-disciplinary techniques they elude or defy.

To better examine why these exceptions persist and how they operate, the variegated approach is combined with an analysis of political rationalities and their purchase on public policy. These political rationalities are not equivalent to an ideology conjured to mask class interests nor are they clear-cut product of economic creeds transposed onto the political. Rather, they offer a ‘specific form of normative political reason organizing the political sphere, governance practices and citizenship,’ while regulating what is intelligible in these domains (Brown, 2006: 693; Foucault, 1988). In relating these approaches, I endeavor to promote conversation between variegated neoliberalization, largely rooted in political economy, and neo-Foucauldian treatments of neoliberalism, which focus on political rationalities and the subjectivities they help shape (Peck, 2013; Springer, 2012). Rather than as ideological project, policy program or contextually specific assemblage, this amalgam can coalesce around an analysis of neoliberalization as a mutable and variegated process that circulates a market-disciplinary project ‘through the discourses it constructs, justifies and defends’ (Springer 2012: 135). This allows scholars to avoid reverting to an assumed real-world referent to recognize
material forms that ‘are both constituted by and constitutive of discourse’ (Springer, 2012: 143). Materiality and discourse become mutually embedded and integral, a shared space where poststructuralist and Marxian political economy approaches can come together, even if only momentarily. Most importantly, this combination elucidates dynamics that are crucial to understanding Jordan’s socio-economic transformation.

Jordan’s Modality of Neoliberalization

Faced with an unprecedented fiscal crisis and no longer able to service its foreign debt obligations, Jordan’s government turned to IFIs for budgetary relief and capital investment in 1988. Negotiations resulted in an IMF-backed structural adjustment program (1989) that included liberalizing interest rates and trade regulations while decreasing government employment and welfare expenditures. Subsequent reforms transformed the Jordanian economy in ways that threatened the underpinnings of the Hashemite regime, based as it was on a bloated bureaucracy, an oversized military and a targeted welfare system aimed mainly at poor urban neighborhoods and rural governorates in the south (Baylouny, 2008: 278). As the state’s distributive responsibilities were scaled back, public unrest became a more frequent occurrence in the traditionally loyal but welfare-reliant East Bank hinterlands (Ryan, 1998). Liberalization efforts, both political and economic, were molded to fit the regime’s survival strategy (Greenwood, 2003). In return for the opposition’s acceptance of the supremacy of the monarchy, greater political participation was permitted, an agreement formalized in the 1991 National Charter. At the same time, potentially damaging economic reforms were devised to minimize discontent. Through calculated steps meant to appease foreign donors, the Palace and allied elites gradually restructured the economy while securing the
funds necessary to fuel patronage networks vital to their support base (Baylouny, 2008: 298-302; Moore and Peters, 2009: 274-278).

Convinced by IFI’s and the captivating neoliberal ethos celebrated at the time of his coronation in 1999, King Abdullah II expanded the once cautious economic reform program. In contrast to 1989, when austerity measures responding to the Jordanian Dinar’s collapse were very much an expedient imposed by foreign donors, pro-market policies are now the regime’s policy of choice. The Jordan-US Free Trade Agreement and the country’s accession to the WTO in 2000 were Abdullah II’s first official steps in consolidating his preferred model of development (World Bank, 2012a). Ever since, and with the aid of a cadre of allied young technocrats, regime rhetoric openly emphasizes the country’s increased reliance on finance capital, as well its desire to ease regulatory controls and accelerate the privatization of public enterprises (Daheer, 2013; Debruyne, 2013:153-157; Hourani 2014a; Bank and Schlumberger 2004). Through these and others pro-market measures, the monarchy promotes a private sector-led economic boom (MOPIC, 2011; World Bank, 2012a). Jordanian government bodies, including those concerned with social development and welfare, have fully adopted the new vocabulary. Ministries and ministers argue that inequality is best remedied through ‘cooperation with the private sector,’ which should take on ‘further social responsibilities,’ especially in the realms of ‘rehabilitation and training’ (MSD, 2009).¹ Official documents acknowledge poverty yet propose ‘improving service delivery’ and ‘expanding access to finance’ as the necessary solutions (MOPIC, 2011; MSD, 2009). Empowering entrepreneurs is described as key to poverty reduction (GoJ, 2013; MOPIC, 2011). Jordanian citizens are told they

¹ Interview, Dr. Ummaya Toukan, Finance Minister of the Hashemite Kingdom of Jordan, 30 June 2014, Amman.
merely need access to the market; their poverty is not a result of structural inequalities but ‘the difficulties of access to finance in Jordan’ (GoJ, 2013: 146).

Dissemination of this neoliberal political rationality starts at the top. ‘Opportunities are ripe,’ the King told the World Islamic Economic Forum in October 2013, Jordan has ‘the regulatory environment aimed at helping opportunity grow’ (Abdullah II, 2013a). The Palace promotes development by offering ‘attractive incentives, economic development zones, business parks, industrial, free zones and more’ (Abdullah II, 2013a). State institutions, by way of official documents and civic education textbooks, claim responsibility merely for enabling the private sector (al-‘Afif et al, 2013: 107; MOPIC 2011; al-Sarhīd, 2008). The government’s role is limited to providing ‘a market oriented financial and credit policy environment,’ leaving to the private sector the development of services that will respond ‘to the demands of the economically active poor’ (MOPIC, 2005: 8). Ministries are told to minimize transaction costs for globally-mobile investors, who they serve over and above the public (MOPIC, 2011). Public agencies, formerly regulatory and interventionist, have become ‘entrepreneurial’ (Parker, 2009: 114).

The monarchy’s development rhetoric aggrandizes the private sector and celebrates its involvement in policy decisions. The potentially authoritarian implications of this shift are obfuscated by the supposed imperatives of meeting global market requirements (Parker, 2009: 117). Unpopular economic policies are justified by blaming their implementation on inescapable global forces (Abdullah II, 2013b; al-Sarhīd, 2008: 88-95). Ministries, agencies and official institutions can then leverage state power to implement supposedly indispensable market-disciplinary measures, against the claims of
participatory citizenship (Parker, 2009). In a speech to Parliament in November 2013, the King reminded those present of the need to implement the principles of the socio-economic approach the Palace has devised. Development requires Parliament to ‘fully cooperate and rise to the level of such responsibility,’ for grave challenges face the country in light of the ‘international and regional crises that affect our economic situation’ (Abdullah II, 2013b). In this way, policy questions are divorced from participation; the regime makes economic reforms seem technically and politically neutral, as well as necessary. The monarchy’s circulation of a neoliberal political rationality is crucial to this sometimes (un)successful obfuscation.

Despite the Palace’s best efforts, the pro-market shift has not been an unadulterated success. Excessive concern with inflation, fiscal deficits and other macroeconomic indicators combined with poorly planned trade and financial liberalization has enriched holders of capital while increasing inequality. The poor majority has been the hardest hit by these changes, followed by the wage-dependent middle class, whose living standards have declined sharply over the last fifteen years (Baylouny, 2008: 295-296). To their disappointment, growth is unevenly distributed. It is driven predominantly by an expansion in non-tradable activities such as construction and an enclave export sector established under American aegis (Harrigan et al, 2006). Yet still, the pro-market shift has not affected all sectors. Although neoliberalization has led to decreased spending on health care, education and other social services, substantial cutbacks have not been imposed on the key bodies staffed by regime supporters, the notion of ‘laying off bureaucrats or downsizing the army remains taboo’ (Yom, 2009: 156). Notwithstanding the monarchy’s avowed aspirations, Jordan is not a paragon of
free-market capitalism but rather a kleptocratic system characterized by a concerted emphasis on military prerogatives, the re-funneling of public expenditures towards large-scale private investments and a labyrinthine system of patronage that extends from the Palace, to Parliament and down through the lowest levels of municipal administration (Clark, 2012). Privatization and de-regulation has gone hand in hand with re-structured forms of patronage (Moore and Peters, 2009: 274-278). Given the country’s recurring fiscal constraints, how is this possible? For more than two decades, publicly upbeat interpretations of Jordanian neoliberalization present the Kingdom as a model of reform so to justify continued funding for a major Western ally (IMF, 2004; Pfeifer, 1999). Pro-market reforms, and exceptions to them, are heavily lubricated by generous external aid, as Jordan has become one of the highest recipients of American financial assistance in the world, which is now being dwarfed by support from the Gulf Cooperation Council (GCC).\(^2\) Despite consistent slippage and delay in implementing IFI dictates, foreign aid and budgetary assistance continues to flow into the country (Harrigan et al, 2006; Yom, 2015).\(^3\)

For the moment, this support has ensured just enough funds for the regime to stave-off fiscal collapse while remunerating the coalitions on whose support it has traditionally depended. Geopolitical interests, and the revenues the regime accrues and can then distribute as a result, are a crucial element in Jordanian neoliberalization. Yet they cannot by themselves explain why certain policies continue to escape reform.

Pro-market policies do not stand unopposed. Anti-neoliberalism has frequently united vastly disparate opposition currents, who denounce recent economic reforms in

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\(^2\) For more on the unprecedented amounts of foreign assistance that have entered regime coffers since the ‘Arab Spring,’ see Hourani, 2014b; Yom 2015.

\(^3\) Far more can be said on this topic, but to be clear, the preferences and impact of external actors on Jordanian neoliberalization are not singular, but rather, the contingent result of an array of inter-connected agencies, governmental forces and actor-networks (Moore and Peters 2009).
favor of re-vitalizing the state’s interventionist role in both industry and social welfare (Ryan, 2014; Yom, 2015). These groups are far from uniform. They include pan-Arabists of various ideological leanings, Islamists, retired military officers with Marxist leanings and more traditional elements. For example, prominent tribal sheikhs as well as the influential National Committee of the Retired Military Veterans Association, which claims to represent some 150,000 East Bankers, have consistently criticized various aspects of the monarchy’s reform project. By virtue of their significant numbers in the armed forces, police and bureaucracy, their voices are not easily ignored. They deride the lack of government spending in rural areas, reductions in public employment and the diminishing quality of social services (Yom, 2015). Nevertheless, most of these groups emphasize their political loyalty when articulating their critiques. They deploy conceptions of citizenship and monarchical benevolence intimately tied to the regime’s own legitimizing rhetoric so as to problematize certain policies. Although these disputes came to the fore prominently during Jordan’s ‘Arab Spring,’ the bread subsidy debate, and clashes over economic policy more broadly, predate and supersede this critical juncture. Austerities riots, public unrest and vociferous opposition have long forced the monarchy to negotiate with various power centers throughout the body politic. A uniquely Hashemite political rationality circulated by the Palace lies at the crux of such negotiations.

Hashemetism as Rejoinder

While pro-market reforms did not bring about meaningful public participation or an economic boom, they did powerfully impact the legacies of Jordan’s provisionary welfare apparatus. Similar to many of its regional counterparts, the Hashemite regime

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4 For an excellent discussion of Jordan’s ‘Arab Spring,’ see Hourani, 2014b.
long relied on a host of redistributory measures to foster societal consent (Massad, 2001: 219).\(^5\) Citizens depended upon and came to expect extensive government intervention in local markets. Such expectations became embedded in political practices over time. Since the infamous April 1989 riots, the most significant public protests in the Kingdom have consistently stemmed from poorly planned retractions from welfare expenditures such as food subsidies (Yom, 2015). Neoliberal rhetorics are thus hardly in a position to do all the political work needed to justify pro-market measures, mired as they are in processes that hit at certain long-standing practices in Jordanian politics.

In response, the monarchy and allied elites have consistently deployed a “fuzzy” nationalist discourse that seeks to minimize and contain opposition and unrest (Frisch, 2002). It has been variously termed “conservative royalism” (Ryan, 2011), or a “peculiar version of modern dynasticism” (Shryock, 2000: 59). Nanes (2010: 163-164) usefully defines this creed as “Hashemitism,” a government-defined, elite-led depiction of national identity that encompasses peoples within the territories the monarchy wishes to govern. It is “fuzzy” because it lacks a fixed definition, as it has been continuously redefined in relation to key events throughout Jordanian history, such as the loss of the West Bank in 1967.\(^6\) Former Palace-advisor Adnan Abu Odeh (1999:279) defines the term as standing for “the inherent equality of being above differences and sub-identities within Jordanian society…a single pan-Jordanian identity under the Hashemites.” By definition, Hashemitism prioritizes the rule and reign of the current monarchy above all else (Nanes, 2010: 164). It functions as a political rationality because it does far more than promote false consciousness or legitimize the political status quo, it also involves a

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\(^5\) Tunisian scholar Larbi Sadiki (2000) has described this social contract as *dimuqratyyat al-khubz*, or the democracy of bread.

\(^6\) For an excellent analysis of several of these key historical junctures, see Massad 2001.
“specific and consequential organization of the social, the subject, and the state” (Brown, 2006: 693). It governs truth criteria within crucial political domains and thus enables people to be governed as subjects.

Specifically, Hashemitism promotes order, stability, national unity and monarchical benevolence as the underpinnings of Jordanian nationalism and political debate. Fearful of social unrest, identity-based divisions and regional instability, it seeks to realign conceptions of citizenship. It does so by attempting to restore a sense of moral purpose, an assortment of higher order values that implicitly bolster the monarchy’s legitimacy and explicitly set the terms of political debate. National attachments and patriotic values are rendered as necessary to unite a nation ostensibly threatened by internal upheavals and external threats. This allows the Palace to monopolize the language of nationalism and loyalty in ways amenable to its hegemony.

While internally diverse and ideologically distinctive, Hashemitism is analogous to other nationalist and religiously inflected responses to late modernity and market-disciplinary policies. It is animated by an explicit drive for power as well and anxieties linked to the supposed decay of national loyalties and moral values. Much like David Harvey’s (2005: 82) depiction of neoconservatism in the United States, Hashemitism differs from its neoliberal counterpart in two important ways: first, in its concern for order in the face of individual interests, and second, in its desire to impose an overweening morality that can bring coherence to the body politic. King Abdullah II’s first notable attempt at circulating this rationality can observed in the government-led ‘Jordan First (al-Urdun Awalan)’ publicity campaign, which coincided with the elevation

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7 For example, prominent voices stress the menacing nature of the recent influx of Syrian refugees or Israeli plans to establish an alternative Palestinian homeland in Jordan (Malkawi, 2014; Nsour, 2013).
of pro-market reformers to the highest echelons of policy-making (Bank and Schlumberger, 2004). Initiated in 2002, its fundamental objective was to re-imagine the form and content of Jordanian identity by consolidating a particular nationalist vision that could form the unwavering center of political debate. The $50 million campaign stressed the ‘shining link and efficacious bond that enwraps all Jordanian patriots, who see in their belonging to their homeland a gateway to their loyalty to the nation’ (RHCJ, 2002). It promotes national unity and loyalty at the expense of all other possible attachments, emphasizing the pre-eminence of Jordanian interests, as defined by the Palace, above all other considerations.

Faced with neoliberalism’s marketizing impulse and societal divisions that have long bedeviled the polity, Hashemitism attempts to re-articulate and re-prioritize Jordanian identity so as to shape the subjectivities of the citizenry. Its provisional codification in public discourse and marketing campaigns is immanent to authoritarian government itself; it seeks to shape a discursive field that can produce obedient subjects while neutralizing opposition to authority. Unsurprisingly, it has been frequently used as a frame to criticize movements, political figures or activities deemed undesirable or dangerous by the Palace (Martínez, 2016; Schwedler, 2012). For example, in a meeting with prominent intellectuals amidst the tumult of the Arab Spring, the King reminded those present of their responsibility to be ‘cautious and conscious in our political and intellectual discourse,’ eschewing debates that could ‘tear our society apart.’ He stressed that: ‘National Unity is a red line as far as I am concerned’ (Jordan Times, 2011). This unity implicitly depends upon political acquiescence, ‘without security and stability and

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8 Here I refer primarily to divisions between Jordanians of Palestinian origins and Jordanians of Transjordanian origin, all of whom are Jordanian nationals.
the rule of law there can be no development, no modernization and no progress’ (Abdullah II, 2010). Social stability is portrayed as a supreme good, both economically beneficial and politically necessary (Abu Nimah, 2014).

Hashemitism in its current iteration inter-weaves economic reforms, monarchical legitimacy and patriotism, all in the name of the continued existence and development of the Jordanian nation-state. Hence, in one speech, the King can claim that he sees ‘economic reform as a principle aspect of comprehensive reform,’ before adding that, ‘national unity is a responsibility and one that hangs around the neck of each one of us’ (Abdullah II, 2010). Together, these formulations establish a contingent and conjunctural ‘relation of mutual reinforcement,’ whereby monarchical intervention and authoritarian power can be legitimated as crucial to national survival and development (Brown, 2006: 701). Such rhetoric, which re-emerges hastily and most forcefully at moments of public unrest, stands at the forefront of what Schwedler (2012: 264) describes as, ‘the reorientation of Jordan’s liberalization project.’ Reform efforts have shifted from an always half-hearted focus on political participation towards a prioritization of pro-market reforms. Yet still, deregulation, privatization and the implementation of austerity measures occur unevenly.

Both neoliberal and Hashemitist rationalities coincide in their de-democratizing effects, devaluing practices of participation and values of social equality in favor of market rule on the one hand, and authoritarian power on the other. What appears as a contradictory combination at the level of ideas often coalesces at the level of state-sponsored rhetoric and political subjectivity (Brown, 2006). Nevertheless, important collisions do occasionally emerge. While the government has heavily promoted an array
of market-disciplinary governance techniques backed by external donors, such as the deregulation of foreign investment, the creation of tax-free manufacturing zones and reductions in tariffs, it has reluctantly maintained various policies that escape the market-disciplinary impulse. By virtue of their importance to Jordanian livelihoods or national security, these policies are deemed crucial to social stability and national unity. Chief amongst these are disproportionate levels of spending on military and security personnel as well as the maintenance of consumer supports for heating oil, water for agriculture and Arabic bread. Where economic reforms are deemed potentially troublesome for the political status quo, the neoliberal impulse quickly takes a back seat (Schlumberger, 2008: 630). Indeed, Jordan’s ruling elite has proven consistent in its amenity to re-configure economic reforms when faced with opposition, especially when it emerges amongst members of important constituencies. Neoliberalization is meant to go far enough to spark growth and foreign approval, but without putting Hashemite hegemony at risk.

Of course, Jordan is hardly alone in its various departures from neoliberal prescriptions. Neoliberalization is an uneven, combined and contested process with a particular genealogy, one that makes its relationship and impact upon place-based politics and regulatory systems historically and geographically contingent (Peck 2013). What merits closer analysis is how exactly policy recommendations promoted by international donors, foreign allies and local technocrats are implemented, re-configured or rejected, and how, in turn, this relates to incumbent elite power, patterns of contestation and
influential political rationalities. Otherwise, we cannot fully understand why ‘Touching the people’s daily bread’ was one pro-market reform deemed ‘a step too far.’

A Brief History of the Bread Subsidy

Beginning in the 1960s, policies for the provision of basic foodstuffs were one of the many areas in which the Jordanian regime established a social pact with various sectors of society. Supply and price regulations first included products such as wheat and sugar, subsequently incorporating tea, powdered milk and rice. The state imported many basic goods, subsequently setting maximum retail prices to alter market outcomes in favor of consumers. This commitment was institutionalized in 1974 with the creation of the Ministry of Supply, which became responsible for administering subsidies for politically sensitive goods (Andoni and Schwedler, 1996). Over the following two decades, receiving a range of commodities at accessible prices became rooted in popular expectations. Severe reductions in government spending undertaken at the behest of the IMF in the late 1980s led to substantial cuts in consumer support. In 1991, rationing was introduced for most previously supported foodstuffs. Due to their political importance, wheat subsidies were provisionally lifted only in 1996. The change set off bread riots in the city of Karak (August 1996). The price of bread reached twenty-five qirsh (0.33 USD) per kilogram before the state eventually backtracked. The subsidized price settled at sixteen qirsh per kilogram of standard khubz ‘arabi (Arab—or pita—bread), and has not changed since. Today, residents of Jordan are estimated to consume ten million

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9 Interview, Dr. Ummaya Toukan, Finance Minister of the Hashemite Kingdom of Jordan, 30 June 2014, Amman.
10 The price of wheat, bread and flour are fixed by the Ministry of Industry and Trade according to presets set forth in Law No. 18 of 1998.
loafs of *khubz ‘arabi* a day, averaging around ninety kilograms of bread per person annually (al-Qiraleh, 2014).

Under the current system, the government purchases wheat on the international market and sells it to private millers. The latter oversee the wheat’s conversion into different types of flour. Only all-purpose unified flour of 78% extraction, known locally as *al-Muwwahad* and intended solely for the production of standard *khubz ‘arabi*,

is subsidized. Depending on their size and location, bakeries are given subsidized flour quotas by the Ministry of Industry, Trade and Supply (MOITS), who reimburses private millers for the *al-Muwwahad* flour distributed to their clients. *Khubz ‘arabi* is then sold at the regulated price of sixteen *qirsh* per kilogram to consumers. Although the current system is crucial to the subsistence of Jordan’s poor and working classes, it also offers opportunities for unlawful gain at numerous steps in the supply chain (World Food Programme, 2008). Fraud often occurs during the assignment of quotas by MOITS employees or during delivery, when distributors may act in concert with flour millers or bakers to siphon subsidized flour onto the black market. In addition, certain bakeries use *al-Muwwahad* for more expensive, flour-based goods. Government officials discuss the resulting flour wastage constantly. They accuse bakeries of corruption and cite their corrupt practices, of which there are no reliable estimates, as the impetus for reform.

During most of 2013, subsidized flour cost Jordan’s bakers 35 *dinars* per ton ($49 USD), while the international market price hovered around 301.5 *dinars* ($426 USD) (Jordan Times, 2013). Maintaining the price of sixteen *qirsh* ($0.23) per kilogram of

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11 Other varieties of flour are used for the production of cakes, biscuits and more expensive varieties of bread.

12 Interview, Samer Khouri, Director of Market Control, Ministry of Industry and Trade, 7 April 2014, Amman; Interview, Dr. Essa Al-Dmour, Director of Internal Audits, Ministry of Industry and Trade, 8 April 2014, Amman.
bread currently costs around two hundred million dinars ($260 million) a year. As a result of continuous fluctuations in international commodity prices, as well as the influx of Syrian refugees since 2011, the regime’s distribution of discounted flour has once again come under close scrutiny. The World Bank describes the program as one of the largest strains on the country’s annual budget (2012a: 50-52). It has encouraged the reallocation of public expenditure so to phase out ‘poorly targeted and costly subsidies’ (World Bank, 2012b). Yet to its chagrin, Jordan’s authoritarian incumbents have repeatedly defended the program and gone to great lengths to avoid any scarcities (al-Ma’ani, 2013; Martínez, 2014; Obeidat, 2014). Why has this particular welfare program escaped neoliberalization’s seemingly all-consuming sway? Although the outcome was not all that surprising, the recent debate on bread policy offers a useful window through which to explore how political rationalities impinge upon policy outcomes. The public deliberations were both significant and vexing because of how they included older languages of state-led interventionism, neoliberal logics regarding poverty and Hashemitist tropes concerning stability and national unity. The presentation of the debate here is deliberately schematic. It eschews a great deal of nuance so to provide a wide-ranging account of some of the key issues that subsidized bread brings to the fore.

The Specter of Subsidy Reform

Throughout 2013, all indicators in Amman pointed to the government’s impending intention to alter the bread subsidy. A new wave of economic reforms following Jordan’s agreement to a 36-month IMF $2.06 billion loan in August 2012 included proposed changes to the consumer support system (World Bank, 2012b). Public officials leaked subtle hints on impending changes to the press. After liberalizing fuel
prices in November 2012, the government quietly promoted a plan that would use
electronic smart cards to counteract the lifting of the subsidy (Obeidat, 2013). Only
Jordanian citizens with valid identity cards would be given a monthly allowance to
compensate for the difference between subsidized (0.16 JD per kilogram) and predicted
free market prices (0.38 JD per kilogram). Immediate remonstrations from bakery owners
and consumer protection groups quickly surfaced. In response, different government
spokesmen seemed to surface weekly to ensure weary citizens that there would be no real
rise in bread prices. Changes would apply only to foreigners, a message repeated by
Prime Minister Abdullah Ensour throughout 2013. Despite the Prime Minister’s
guarantees, an array of bakers conveyed their incredulity, perplexed at the smart card
proposal and the details surrounding its possible implementation (al-Da’jeh, 2013). Key
members of the military and security services also voiced their opposition. They
highlighted the potentially de-stabilizing effects on the refugee populations they were
now in charge of disciplining, or the poor neighborhoods they have often been tasked
with repressing.13

MOITS, which supervises the purchase of wheat on international markets and the
distribution of subsidized flour, took the lead in promoting the smart card. Ministry
officials emphasized the disjunctures in a universal subsidy system that equally serves the
poor and the rich, nationals and non-nationals. They blame refugees for straining the
budget through increased consumption or vilify bakery owners and crooked flour millers
for allegedly corrupt practices. However, no one ever suggested the whole-scale
elimination of the subsidy. The Ministry promised instead various potential avenues for

targeted re-imbursement of Jordanian citizens; officials displayed a keen sensitivity
towards bread’s symbolic and political importance. Predominant tenets of
Hashemitism—social stability, national unity and a benevolent monarchy—colored their
remarks. The full-fledged marketization of bread prices was deemed problematic. For
example, then-Senator Hani Mulqi,\(^1^4\) emphasized his support for most IMF prescriptions,
yet argued for leniency in this case. ‘This is bread!’ he stressed, ‘The current situation,
both regional and domestic, means that we cannot play with the bread subsidy,
notwithstanding the inefficiencies that permeate the current system.’\(^1^5\) Mulqi’s sentiments
echo those of the monarchy’s key allies. Hashemitism may help legitimate authoritarian
practices but it simultaneously makes certain economic reforms problematic. In separate
interviews, three senior ministers stated that cuts to various welfare expenditures were
necessary given fiscal constraints. Nevertheless, all three feared potential repercussions
of bread subsidy reform.\(^1^6\) Changing the latter was not problematic due to neoliberal
techniques it would employ but rather because of how it could affect social stability.

The neoliberal critique of the bread subsidy is well encapsulated in the columns of
Fahed Fanek, economist and analyst for one of Jordan’s government-owned dailies, *Al-
Ra’i*. Fanek favors the smart card proposal because it offers the best way to target needy
citizens while putting an end to the ‘extravagance and corruption,’ of the current system
(2013a). Popular opposition to reform is deemed unimportant or uninformed; reform is
driven by budgetary prudence (2013b). Neoliberal critiques such as Fanek’s focus on the

\(^{14}\) Mulqi currently serves as interim Prime Minister in the run-up to the 2016 parliamentary
elections.

\(^{15}\) Interview, Senator Hani Mulqi, 4 May 2014, Amman.

\(^{16}\) Interview, Dr. Ummaya Toukan, Finance Minister of the Hashemite Kingdom of Jordan, 30
June 2014, Amman; Interview, Dr. Ibrahim Saif, Minister of Planning and Cooperation of the
Hashemite Kingdom of Jordan, 25 June 2014, Amman; Interview, Dr. Hatem Halwani, Minister
subsidy’s misuse or inefficiency, emphasizing its impact on fiscal concerns. Similar to the IFIs conferring with the Jordanian government, they display a market-oriented bias, aggrandizing macro-economic indicators over other socially and politically salient concerns (World Bank, 2012b). In doing so, Fanek and other like-minded bureaucrats disregard the political-institutional landscapes in which economic reforms are embedded, as well as the socially constructed forms of value surrounding commodities such as bread. Most importantly, their pro-market proposals overlook, or cannot quite comprehend, the links between Hashemitism, certain welfare policies and regime legitimacy.

For many on Jordan’s small but vocal Left, subsidy reform is merely another sop to the international organizations that seek to rid the state of its provisionary responsibilities. Government efforts were variously described as a waste of time, or worse, a colossal mistake (Ghneimat, 2013; al-Tuweisi, 2013). Critics depict bread not only as a nutritional staple with symbolic meaning but also as one of the last remaining elements in the state’s previously wide-ranging commitment to social welfare; their preference is for the regime to guarantee not purchasing power but provision (al-Tuweisi, 2013). The coalition of nationalist and leftist parties criticized the government’s adherence to IFI dictates, warning the Prime Minister of ‘the repercussions’ of altering the bread subsidy, ‘a basic material in the lives of citizens…especially the poor’ (JDPP, 2013). For the Jordanian Democratic Popular Unity Party (WIHDA), ‘Bread is a red line for all peoples,’ if the subsidy is altered, ‘no one can predict,’ the type of popular movement that would arise (WIHDA, 2013). The Islamic Action Front (IAF) has also consistently questioned the wisdom of implementing pro-market measures, ascribing
moral bankruptcy to economic policies that widen social inequality (Sadiki, 2000). For the Muslim Brotherhood’s political arm, bread is a ‘necessary substance,’ the proposed smart card ‘is incompatible with Jordanian dignity, which cannot be touched’ (IAF, 2013). For Suleiman al-Shiyab, head of the IAF’s economic policy committee, ‘the problem is not the bakers or flourmillers but the government: better supervision and regulation would ensure honest practices.’ The IAF is not against targeted assistance for the needy per se, but is concerned that a corrupt state apparatus subverts the possibility. For left wing and Islamist parties, the government’s provisionary role is both sound economic policy and a moral obligation.

The Bakery Owners Association (BOA) offered the most intriguing policy position. Tasked with representing the incredibly diverse number of bakery owners throughout the Kingdom, the BOA articulated themes of social solidarity and cohesion, governmental ineptitude and responsibility, sensitivity to endemic poverty and potential class warfare. These tropes were deployed alongside pro-market rhetoric usually associated with anti-welfare discourses. For example, the BOA promoted a three-year transitional period leading to the gradual elimination of the current universal subsidy, arguing that the government should avoid sudden price shocks on the way to free market prices. At the same time, the BOA promotes direct cash subsidies for Jordanian citizens, criticizing the electronic smart card proposal as the impossible fantasy of a group of over-eager ministerial technocrats. The BOA’s President, Abdul Illah Hamawi, explained the group’s disappointment with the government in a particularly strident interview in al-Ra‘i in early 2014 (al-Jenīnī, 2014). His critique, articulated after intense negotiations

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17 Interview, 9 July 2014, Amman.
18 Interview, Abdul Illah Hamawi (President of the BOA), 5 November 2013, Amman.
throughout 2013, disparages the MOITS for ‘corruption, waste and stealing,’ while exposing the bakery sector to great injustices. At the same time, Hamawi voices the BOA’s ‘support for the Ministry’s inspection campaign and supervision of the bakery sector,’ in theory, while attacking the inefficiencies of government regulation in practice (al-Jenīnī, 2014).

In defending the role of the bakery as well as the politico-nutritional importance of bread, Hamawi recurred to certain tropes that were sure to cajole government officials immersed in a Hashemitist political rationality. The BOA president emphasizes the vital role played by bakeries, which merely wish to fulfill their ‘national and moral responsibility.’ By ‘providing the strategic good of bread to the citizenry,’ bakers help ensure social peace and a modicum of sustenance amongst Jordan’s poor (al-Jenīnī, 2014). Yet the BOA is not fully immune to pro-market penchants. To improve the distribution of the flour subsidy, the BOA promotes a neoliberal technique, a free market in production. It counter-balances this proposal with one not strictly driven by market logics, direct cash subsidies for Jordanian citizens. The BOA’s policy recommendation seeks to minimize government interference in bakers’ business practices while maintaining the purchasing power of the industry’s consumers. Yet crucially, the organization’s public interventions are always and everywhere couched in the language of Hashemitism circulated by the Palace.19 Their desire to uphold national unity and social stability were continually emphasized. The BOA’s prominence in the debate as

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19 In more than fifty interviews, various bakery owners consistently described subsidized bread as crucial to social peace, bakers as responsible agents dispensing crucial government-subsidized foodstuffs while pursuing profits in responsible ways. Of course, wide variations in political views and policy preferences existed amongst the bakers, which the BOA’s position does not and cannot fully capture.
well as its success in de-railing the smart card proposal is intimately linked to this astute positioning.

Throughout the bread subsidy debate, a collection of forces positioned themselves against the smart card proposal. Some were consistent parts of broader appraisals of the Jordanian regime’s economic policies while others offered a mélange of reasons to substantiate their opposition. Faced with this broad yet divided blend of resistance, pro-market technocrats could not overcome dispositions and subjectivities shaped by a political rationality at the heart of regime legitimacy. During budgetary negotiations in November 2013, any and all changes to the Kingdom’s bread policy were postponed until 2015. Interestingly, various government sources indicated that the King himself had intervened to end speculation surrounding bread subsidy reform. Fears of popular discontent triumphed over the preferences of reform-minded bureaucrats and external donors. Astute critics tied the availability of subsidized bread to the dearth of disorder and social unrest; proposed reforms were criticized using central pillars of the Palace’s own discourse. National unity, social stability and a benevolent monarchy, key tenets of the current iteration of Hashemitism, made subsidy reform problematic. In spite of an undoubted commitment to a broad set of pro-market macroeconomic policies, authoritarian rule in Jordan still depends somewhat on a distorted but enduring system of social assistance. Bread remains a necessary exception to the neoliberal trend.

Conclusion

Neoliberalism is never simply an ideological dogma, straightforward hegemonic project or set of externally promoted policy proposals. The implementation of market-disciplinary measures is a contested and contingent process that must continually
confront variegated institutional, historical and political landscapes. Analyzing neoliberalization in this fashion opens rather than forecloses avenues of analysis (Brenner et. al, 2010). It puts mutability and unevenness at the heart of its inquiry. This allows the situated entanglements of geopolitics, political rationalities and local histories to be built into our approaches, and our histories. Once they are denied their utopian end-point or their teleological destination, neoliberalization’s pathways can be specified in the variegated landscape in which they occur (Peck, 2013: 149). Although hardly a recipe for a straightforward methodological approach, the comparative advantage of such close-focus, low-lying methods is their ability to place socio-economic transformations in context, illuminating muddy hybrids while bringing neoliberalism to earth, ‘both literally and metaphorically’ (Peck, 2013: 142).

In the case of Jordan, this approach would also help scholars analyze the seemingly incongruous policy outcomes that continue to defy market-disciplinary measures enacted in most sectors. Instead of portraying such policies as the fading remnants of formerly statist welfare programs or as idiosyncracies related to Islam or culture, a modified variegated approach can help us understand the politics behind their persistence. When applied to disparate contexts, this mode of analysis can yield important insights, as the prevalence of non-market fixes is hardly unique to Jordan, and should direct out attention to the heterogeneous character of regulatory regimes (Li, 2014). Techniques of governance should not be ascribed to a singular rationality or political project, as they are never uniform, nor are the fractured state apparatuses that propel them. For to govern, as Foucault argued long ago, is not to pursue one dogmatic goal, ‘but a whole series of specific finalities,’ always achieved through ‘multi-form tactics’
(Foucault, 1991: 95). For the moment, the Hashemite regime has successfully implemented a comprehensive set of market-disciplinary economic reforms. It has won the support of the IFIs, foreign allies and local capital while minimizing the disaffection of key members of its support base in an uneasy compromise. Undoubtedly, long-standing tactics of co-optation (gerrymandered electoral districts, patronage practices, selective repression) are a central element in this formula, but equally vital is how neoliberalization has been fashioned and formed so as not to endanger the authoritarian status quo. The enduring subsidy of *khubz ‘arabi* is a powerful example of this dynamic process.

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