

Sample research paper on effects of neo-liberalism the middle east and egypt

[Sociology](#), [Poverty](#)



Neoliberalism refers to politically motivated ideologies that allowed shifting of economic factors from the public sector to the private sector. According to these ideologies, a government encourages private investors through a series of policies and changes in the market structure. For instance, governments initiated tax reforms in broadening of the tax base, reduced deficit spending, imposed limitation on subsidies, withdrawal of fixed exchange regime, and encouraged privatization. Neoliberalism in the Middle East and Egypt had a significant impact on the socioeconomic and political perspective. Neoliberalism in Egypt ensured free market and private enterprises regardless of socially harmful inflicted on the society (Bush 65). Privatization of public enterprises translated to less provision of public goods to the community. This is because private, business entities and foreign investors were aimed at increasing business sales and profits. The financially disadvantaged communities in the rural areas were adversely affected by these policies since public provision of services such as education, health, and society welfare in general. As a result, neoliberalism led to division of individuals into classes. This was mainly evident from the fact that the rich got richer while the poor remained poor. The wealthy individuals in the Middle East regions separated themselves from the rural poor people leading to what is referred to as the gated community in the urban areas (Petras and Veltmeyer 45).

Neoliberalism in Egypt have resulted in adverse effects leading to high economic risks such as inequality in wealth and income. There has been a large gap between the rich and the poor as a result of neoliberalism policy in Egypt. A neoliberalism policy in Egypt translates into non-government

intervention in the economy leading to unregulated economy. According to the government, such policy is important for economic growth that benefits every individual in the region. On the contrary, neoliberalism has resulted in the exploitation of the poor by the rich minority group in the country. The existing gap between the rich and the poor has widened and is expected to grow wider as the inefficiency in the market persists. As a result, there has been the establishment of five-star hotels, malls, amusement parks, private hospitals, golf course and mansions for the rich (Agathangelou and Soguk 64).

The aforementioned secluded areas have formed the gated community in Cairo. This kind of development has become to be known as the dreamland that has created space between the rich and the poor. The effect of neoliberalism in Egypt on housing has been of great significance with the government encouraging such a move by private developers through some practices such as mortgages, tax breaks, and public partnership. The development of the gated community in Cairo and various countries in the Middle East has been instigated by the neoliberal ideology. The capitalist form of market came into transition in the late 1980's in the city of Cairo. As a result, there has been emergence of public and private spaces in Cairo and Middle East cities. The effect of globalization in Cairo has also contributed to the difference between private and public space in urban and rural areas. The recent spatial transformations and patterns of urbanization is a clear indicator of the difference between the rich and the poor. According to some economists, the creation of new cities in Cairo and the transformation of the old cities has been attributed to economic activities. It is, therefore,

important to focus on economic activities when investigating about existing boundaries and disparity between privates and public spaces. The aforementioned spaces have led to a heterogeneous and multifarious division in the society that has resulted from inequality in income and wealth distribution (Beinin and Vairel 27).

Under neoliberalism ideology, the Egyptian government has abandoned its social responsibilities to the community such as housing, infrastructure, and education. These neoliberalism ideologies have led to Urbanism and wealth accumulation of people living in urban areas. It has adopted an urban management practice where urbanism is promoted leading to problems of social and redistribution of resources. The capitalist elite has engaged in such practices as they form the minority class in the city. As an economic activity, real estate has significantly contributed to the economic development of these cities in the Middle East. Globalization and privatization of public industries and enterprises has led to some areas of economic growth being neglected by the governments. For instance, housing and development of infrastructure are some of the areas that governments have abandoned. This has resulted into a major housing and infrastructure crisis in the cities (Ghonimi, Zamly and Khairy 6).

The capitalists have established mansions and expensive housing affordable, only, for the minority capitalist group. The poor and the middle-income individuals cannot afford such urban housing leading to inequality in housing. One of the main principles of neoliberalism is an unequal distribution of resources within a country. The government has left every bit of economical aspect to investors and developers thus creating an economic crisis within

the cities. Gated communities in the urban areas have enjoyed servicing such as security, good infrastructure, and better housing. Unlike the poor rural households, who have remained poor because of the economic policy imposed by the government. Development of infrastructure in rural areas has been neglected since the capitalists do not take into consideration social responsibilities of the society. Infrastructure has, only, been developed in the urban dreamland areas of the city where the rich live (Ismael and Ismael 63).

The government has encouraged real estate development by offering subsidies to the private developers. Developers have turned into real estate investment projects since governments have subsidized land to allow wide coverage service of public housing. Under neoliberalism, the government retains its role and mandate to distribute and allocate resources. By contrast, resources are distributed and allocated to inappropriate recipients. The allocation of resources by governments is done to the selected capitalists within the urban areas. It is, therefore, important to note that resource distribution and allocation by governments is aimed at improving private developments and construction of infrastructure among the selected few families in the dreamland. Neoliberalism has resulted in network ties between the rich thus forming a group of minority in the country. This group of capitalists is composed of state officials, bankers, investors, and private developers among other high ranked individuals. Neoliberalism in Egypt and among Middle East countries has resulted into utopian visions (Bush 86). According to various economists, utopian visions are accelerated by the ideological aspect of neoliberal capitalism. The division between the rich and

the poor has created gated communities, usually referred to as the enclaves of the rich. Dreamland is the largest “enclave of the rich” in Cairo, also referred to as “The Egypt of My Desires”. The analysis of gated communities is conflated with the role of gender in these cities especially in the Middle East regions. In countries such as Saudi Arabia, women have become westernized leading to abandonment of cultural beliefs and norms. Gender roles in the Middle East have always taken a traditional aspect. On this front, women’s role has been perceived to be in the household. This is according to the cultural beliefs and norms of the society that does not consider a woman to be a leader. In the Middle East and in Egypt, there still exist gender issues in the gated community. For instance, women in gated community have distinguished themselves from the society’s social and cultural norms. As a result, women have stood out to display their feminism by accumulating lots of wealth relative to men. In women's gated residences, there is a large display of wealth as compared to men gated residence areas (Petras and Veltmeyer 64).

On the contrary, men have been observed to buy pleasant cars. As a result of continued oppression under the social and cultural aspect, women have shown a great desire to westernize and accumulate wealth. Abandonment of cultural aspects and beliefs among the richest women has accelerated their feminism nature in these gated developments. Women desire to stand out and show their wealth in these gated communities has been attributed to the desire to escape from the harsh nature of the society against women in these enclaves of the rich. Rich women have, therefore, stood against all odds including the traditional beliefs in accumulating wealth and acquiring a

social class (Ghonimi, Zamly and Khairy 8).

Neoliberalism has created a situation where the poor are incapable of acquiring wealth while the rich become richer. This situation is, usually, evident because the poor are exposed to exploitation practices by the rich. For instance, unemployment rates are so high in these regions due to layoffs of workers from public enterprises. In 1991, the Egyptian government signed a program in concert with the International Monetary Fund on structural and economic reforms. The government has, from then, been privatizing most of its public firms and enterprises. The process of liberalization and privatization has led to massive layoffs of workers in the public sector leading to increased rates of unemployment. Most women victims of these layoffs have remained to be unemployed. This liberalization ideology advocated and administered by Nazif in Egypt has been attributed to the fact that the rich get richer while the poor remain to be poor (Agathangelou and Soguk 34).

Neoliberalism has been criticized following various negative effects on the socioeconomic status of citizens in the Middle East regions and in Egypt. For instance, as large private firms increased their profits lots of people had lost employment opportunities from public sector firms. Liberalization has also resulted in lower workers' wages, shift work, temporary jobs, and reduced benefits. The demerit of neoliberalism became evident when prices for goods and services hiked while wages stagnated. Despite positive economic growth experienced in these regions, there has been deterioration of workers' living standards due to labor unrest. According to the observed effects of neoliberalism in Egypt and Middle East regions, it is evident to conclude that

neoliberal ideologies have resulted into division between the rich and the poor. This has resulted from public and private spaces created between individuals of high class in the urban areas and the poor in the rural areas. Adoption of a nationalist ideology in these regions would help in recovering equal distribution and allocation of resources.

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