U.S. Foreign Economic Policy and Regime Change: The Neoliberal *Laissez-Faire* Agenda in the Developing World

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Abstract: This paper examines the effect American foreign economic policy has on the impetus of regimes in the developing world to shift, whether quasi, functionally, or in actuality, to a neoliberal prerogative. Specifically, this paper predicts that the seizing of economic markets both large and nascent by multinational and transnational corporations that emerges as a result of U.S. foreign policy creating economic environments that encourage foreign dominance has a direct impact on regime change in the developing world. This research seeks to prove this hypothesis using market infiltration statistics and case studies on individual states in the developing world.

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Throughout history, powerful states have made the goal of colonization for economic benefit a priority, assuming such states had the necessary resources and brawn to achieve such goals. However, in an era where colonization is no longer viable—the quasi-Wilsonian Liberal world—much of a state's foreign economic policy must be rooted in a strategy that results in, at minimum, the perceived reciprocation of benefit between the policy making state and others. As this paper will argue, no individual state has mastered this process quite like the United States. However, the U.S. strategy to achieve this has a set of consequences that, when considered as a part of multiple case studies, in effect, creates a predictable model of worldwide consequences of U.S. foreign economic policy with respect to the developing world. This emerges, in part, because U.S. foreign economic policy is ultimately rooted in market infiltration in the developing world, financed and networked with other developed nations (Milner and Tingley 2011, 37-38). This brand of foreign policy is referred to throughout this research as "the neoliberal *laissez faire* agenda." Naturally, the implementation and *realpolitik* of the neoliberal *laissez faire* agenda results in a number of consequences for the United States and the developing world, and this research seeks to prove that the most fundamental of these is the impetus towards regime change in developing countries wherein such policy has been implemented.

In order to test this hypothesis, case studies of Algeria, Tunisia, and Philippines are compared in order to demonstrate the correlative effect of the neoliberal *laissez faire* agenda implementation and changes in regime type. These countries were chosen for a few key reasons. Firstly, each of these countries is considered a developing nation by United Nations (2013). Moreover, selecting countries from different geopolitical locations offers a larger dataset that, should the hypothesis be proven true, creates a more accurate model of the relationship between the neoliberal *laissez faire* agenda and regime change. Additionally, having each set of countries share geopolitical territory can reveal any intervening variables that may catalyze or delay the effects of this type of policy implementation due to issues inherent to or otherwise isolated within a given region. Lastly, each of these countries has a unique relationship with the United States in terms of foreign policy, and more specifically, the economic relationships between them. As such, these countries offer the best opportunity to examine the neoliberal *laissez faire* agenda in its most fundamental form.

This research will be presented within the following framework. Firstly, the neoliberal *laissez faire* agenda is clearly defined with respect to this hypothesis, followed by brief, essential historical context to its rise and impact on the modern world. This is followed by a clear definition of regime change within the context of this research. Secondly, the individual case studies will be examined with their respective conclusions to follow thereafter. Thirdly, a critical comparison of the conclusions of each individual case study will be used to create an overarching conclusion as to the validity of the hypothesis. Lastly, the research will once again be summarized with specific attention to the implications of the results and the extent to which said results may be used as a model for accurate prediction of outcomes for American Foreign Policy in the developing world.

Literature Review

The literature and sources used for this research vary considerably, given the nature of the hypothesis. In order to properly develop a picture of the neoliberal *laissez faire* agenda, several theories, models, and journals on American foreign politics were examined in depth. Additionally, the immense differences in states examined for case studies required a variety of sources on Middle Eastern politics, American-Middle Eastern relations, Southeast Asian politics, and American-Southeast Asian relations. The following sources were used as primary reading and reference sources in both the formulation of the research hypothesis and the examination of states for case study.

For theoretical background, two principle works were consistently used in the development of the neoliberal *laissez faire* agenda and the picture of American international politics in general. The first of these texts is *Controversies in International Relations Theory: Realism and the Neoliberal Challenge* by Charles W. Kegley, Jr. Kegley's work outlines the Liberal and neoliberal views of international politics, being quite critical of both in terms of functionality, but nevertheless paints an accurate picture as to the ways in which neoliberalism is used in international relations in the modern world. Kegley's work in addition to this basic outline of international relations theory is essentially a compilation of theoretical essays from other thinkers that shape the functional views of such theory. Of the compiled essays, J. Martin Rochester's work *The United Nations in a New World Order: Reviving the Theory and Practice of International Organization* gives credence to the hypothesis of this research by citing regional instability and regime change as a consequence of what he described as a compulsive use Liberalism in international politics that is ultimately enforced by neoliberal institutions, such as the United Nations (Kegley 1995, 210-218).

The second principle work used for theoretical background and development is *Essential Readings in World Politics, 4th ed.* by Karen A. Mingst and Jack L. Snyder. Mingst and Snyder supplement Kegley et al by offering more theory and practical applications and models of such theory. The work was also useful as a contextual source for specific events in the realm of international relations, particularly between the United States and the case study nations used in this research. Much like Kegley's work, Mingst and Snyder compile essays of other respected political scientists and theorists to shape the complexity of international relations for the reader. Specifically, an essay entitled *The Diplomacy of Violence* by Thomas C. Schelling coincides with Rochester's aforementioned work regarding the use of Liberal and neoliberal institutions as a means of enforcement and coercion (Mingst and Snyder 2011, 327-331).

In terms of resources used for case study, a large amount of academic journals were sourced for information regarding Tunisia, Algeria, and the Philippines. All of these sources may be found on the reference page of this paper. Many of these journals provided small or supporting details to the overall research, however, a few key journals of note were sourced frequently for these case studies.

Methodology

The methodology used to test the hypothesis that the neoliberal *laissez-faire* agenda creates an impetus for countries in the developing world to experience regime change is rooted in the case study method. Individual countries are critically analyzed in terms of their direct and indirect economic relationships with the United States over the course of history. Subsequently, the consequences and effects of each of these relationships is examined in a modern and postmodern context, supplying the necessary datasets to draw a conclusion as to whether or not the aforementioned hypothesis is accurate. Moreover, each individual conclusion will be critically compared as a means of asserting the overall functional value and reliability of the model that emerges should the hypothesis be proven correct, in whole or in part, by this methodology. Given the nature of this hypothesis, the strength of correlation between the neoliberal *laissez-faire* agenda and regime change in each case study will also be asserted for the sake of developing a means to measure the accuracy of the overall conclusion of this research. The scale used to measure this strength is as follows:

- *Strong Correlation* – the data suggests a correlation to such a degree that the likelihood that neoliberal *laissez-faire* economic policy directly impacted regime change in the state is almost certain.
- *Moderate Correlation* – the data suggests that, though a correlation may be present to a recognizable degree, neoliberal *laissez-faire* economic policy is unlikely the primary source of regime change in the state.
- *Weak Correlation* – the data suggests that the neoliberal *laissez-faire* agenda has impacted the state to some degree, but ultimately does not account for the experienced regime change.
- *No Correlation* – the data suggests that there exists no evidence that U.S. foreign economic policy has accounted for any experienced regime change in the state.

Additionally, given the geopolitical similarities of Algeria and Tunisia, brief conclusions are drawn after both sets of case studies before the overarching conclusion is made in order to create a thread by which to tie the resulting model, given such a model can be formed by the conclusions of this research, together cohesively with any other information provided in this paper. As such, a sub-hypothesis of this paper emerges. The hypothesis asserts that when regime change occurs as a result of the neoliberal *laissez-faire* agenda in an identifiable geographical region, a domino or residual effect emerges, catalyzing regime change within the region as a result.

Additionally, this paper asserts that regime change occurs as a result of the neoliberal *laissez-faire* agenda in three fundamentally different ways. Firstly, this research asserts that some regime changes occur because liberalization benefits the country as a whole. In these cases, generally speaking, the elite receive benefit as well as the average citizenry and foreign actors, particularly the United States with respect this hypothesis. Moreover, these transitions are generally peaceful and well met by both the state examined and the surrounding region. Secondly, regime change as a result of the neoliberal *laissez-faire* agenda does not necessarily mean that a regime will liberalize. Ultimately, this research argues that a state does not have to liberalize to facilitate benefits of the neoliberal *laissez-faire* agenda, rather, liberalizing on a small scale or otherwise shifting a regime away from established fundamental principles to allow for these aforementioned benefits to proliferate into the state is another means by which regimes will transition as a result of this type of U.S. foreign policy. Lastly, the regime change experienced by states wherein the neoliberal *laissez-faire* agenda has been implemented is not always a positive reaction to this change. Indeed, in some cases, the regime change that ensues this type of foreign policy is in direct opposition to its implementation.

In summation, the methodology behind this research is rooted in case studies wherein developing countries that have experienced regime change, whether functionally, partly, or entirely and whether in a reaction of positivity or negativity, are critically examined. Each examination concludes with measuring the strength by which implementation of the neoliberal *laissez-faire* agenda and regime change correlate, and ultimately each of these conclusions is then compared as a single dataset in order to draw an overarching solution that may, in turn, develop a functional model of predictable outcomes when the United States implements this type of foreign policy.

Introduction to the Neoliberal *Laissez-Faire* Agenda

U.S. foreign policy in the modern world is deeply rooted in economics. This emerges, in part, because economic partnerships—or domination—is more easily and legitimately achieved through peaceful, diplomatic efforts. Additionally, the attempt to liberalize developing nations is seen as a means to ensure positive diplomatic and economic relationships long term, based on the principle that liberalized states do not engage in warfare often (Mingst and Snyder 2011, 300). Moreover, this research reveals that it is worth noting that full liberalization is not necessary to achieve the security associated with liberalism. Rather, sufficient enough liberalization of certain policy of a developing country, most notably deregulation of business and privatization of state owned enterprise, allows for the direct engagement of foreign economic policy between the U.S. and the developing world, effectively offering the same sense of security offered by a liberalized nation. As if this did not offer security enough, however, the existence of the United Nations and other neoliberal institutions such as the European Union act to reinforce this notion in two specific ways. The first way this is achieved is through the legitimization of this type of foreign economic policy. Generally speaking, when the UN approves of an action, there is little meaningful challenge by other states, even those that are non-member states (Mingst and Snyder 2011, 302). The second way this is achieved is through the use of the UN et al as enforcement mechanisms. Should such economic relationships begin to be opposed, the UN would certainly intervene. It is the use of these institutions as a means of enforcement and legitimacy that the neoliberal *laissez faire* agenda gets its name; neoliberal because neoliberal institutions enforce and legitimize the agenda, and *laissez faire* because it promotes deregulation and privatization of state owned enterprise as a means to gain access to financial markets. Simply put, the neoliberal *laissez-faire* agenda is the type of foreign economic policy issued by the United States a means of dominating economic markets in developing countries and making a concerted effort to liberalize countries insofar as possible.

Equally important for the purposes of this research is a clear, contextual definition of regime change. This paper asserts that there are degrees of regime change:

- *Minor or Functional* – a type of regime change wherein the entirety of the established regime may not be replaced, but fundamental features of the established regime are changed in a noteworthy way, often to accommodate liberalism and foreign investment.
- *Total Regime Change* – the classical view of regime change wherein the entirety of the established polity is replaced with a fundamentally different set of individuals, goals, and features.

Therefore, regime change is, at minimum, a change in the fundamental features of an established regime once acted upon by an outside force. The outside force of this research is, of course, the neoliberal *laissez-faire* agenda.

Tunisia

Introduction and Historical Context

Tunisia's experience with the neoliberal *laissez-faire* agenda is ultimately not unique with regards to other countries examined by this research; however, it is notable due to Tunisia's catalytic effect on the Middle East with regards to the Arab Spring movement that began in late 2011. There are myriad reasons Tunisia was the spark of the revolutionary movement that quickly swept across the region, but one that should be highlighted is influence by the Western world on the country's economic condition.

Historically, Tunisia had been a notable point of emphasis on African quality of life. Prior to 2010 and despite being a developing nation, Tunisia topped the list across virtually every tangible means of measuring the quality of development of an African nation with the World Bank reporting that "Tunisia has experienced rapid economic growth with increasingly equitable distribution of its benefits," a trend that continued until the late 2000s (Travis 2013, 88). However, in the few years that preceded the Tunisian Revolution that would later be considered the beginning of the Arab Spring, a fundamental change in this economic prosperity occurred. By late 2010, Tunisia's economic health was dwindling, primarily due to rising food costs due to the privatization of state-owned enterprises, drastic reduction of subsidies for what could be considered necessities for life, and the high use of biofuels by the United States and other developed nations in the West (Travis 2013, 89). Aside from the aforementioned use of biofuels by the West having a direct impact on the food supply in Tunisia, one is left to ponder the reasons Tunisia would adopt such neoconservative economic policies such as privatization of state enterprise and subsidy reduction when the economic health of the country had been a high point for so many years, perhaps knowing the negative outcomes that would occur as a result. However, once this is examined with respect towards the United States' foreign economic policy, that is, the neoliberal *laissez-faire* agenda, one can why these fundamental changes in the Tunisian polity and political economy occurred.

The Neoliberal Laissez-Faire Agenda in Action

President Zine El Abidine Ben Ali's regime took over in 1987 while the Tunisian economy was developing upward, and throughout the bulk of his early presidency, economic conditions remained relatively unchanged (Ahelbarra 2011). However, the mid 1990s saw a shift in Ben Ali's economic policy. Specifically, President Ben Ali oversaw an economic shift to foreign investments as a means to develop the Tunisian private sector, capped off by silencing political opposition domestically and abroad with the help of the United States (Ahelbarra 2011). The United States' Department of State website opens its informative section on Tunisia by saying,

> "The Tunisian Government actively encourages and places a priority on attracting foreign direct investment (FDI) in key industry sectors, such as call centers, electronics manufacturing, aerospace and aeronautics, automotive parts, and textile manufacturing. The government encourages export-oriented FDI and screens any potential FDI to minimize the impact of the investment on domestic competitors and employment," (2013).

This information suggests that Tunisia, under direction of President Ben Ali, had a strong and perceived mutual economic relationship with the United States. As it turns out, the United States used the neoliberal institutions of the European Union and United Nations as a means by which to facilitate their foreign policy goals in Tunisia. The U.S. facilitated its direct investment in Tunisia through France as a means to encourage more investment from EU member states as well (Williams 2012, 55). This system of investment created a circular exchange of money in Tunisia, facilitated by foreign states, which did not equitably benefit the average citizenry in Tunisia, resulting in high levels of corruption and elitism (Travis 2013, 87). What can be remarked about this, however, is the stable transition the Ben Ali regime managed to oversee. Despite insurrection from factions within, Tunisia managed to slowly liberalize its economic relationships with international actors (Travis 2013, 87-88). It should also be said that, at a technical level, much of the internal economics of Tunisia liberalized as well as the state gave up control of most enterprise, however, unregulated markets allowed U.S., multinational, and transnational corporations to exert firm control on various businesses, which only further destabilized the internal affairs of Tunisia (Travis 2013, 90). This proved to have significant consequences on the regional stability of the Middle East later.

The United States had three principle means of ensuring the proper implementation of its foreign policy in Tunisia. As mentioned previously, the U.S. managed to use the authority and resources of the European Union and United Nations as a means to enforce such economic policy. The European Union ultimately brought more investors to the table, financing industries controlled by the United States within Tunisia and maximizing profits for both the U.S. and the Ben Ali regime (Travis 2013, 91). The mutual benefit received by the EU as a result of this ultimately acted as an enforcement mechanism in its own right. Likewise, the United States' role as a chief member of the United Nations helped to further legitimize the implementation of this policy in the eyes of the international world. However, the third means by which the U.S. ensured the neoliberal *laissez-faire* agenda was properly implemented in Tunisia was through the use of military forces.

The United States, in cooperation with President Zine El Abidine Ben Ali placed a number of military bases throughout key regions in Tunisia, primarily in two geopolitical locations: where civil unrest was becoming a pressing issue, and Tunisian oil production centers (Selim 2013, 256-260). Couple the aforementioned information with Ben Ali's continuous shift to a privatization of state-owned enterprises, particularly in oil and fuel production, and the picture becomes clearer. As the Ben Ali regime shifted state-owned enterprises to private ventures, foreign investors gained control of these economic operations with oil production primarily overseen by the United States (Travis 2013, 90). The result of this contributes greatly to and accounts for several negative economic trends in Tunisia. Firstly, businesses and oil production controlled by the United States and other Western investors saw the employment of individuals from their respective states, either as workers or in oversight positions, reducing the employment of Tunisians, increasing civil unrest, and causing a decline in the overall health of the economy while the elite in the Ben Ali regime reaped the benefits (Ahelbarra 2011). The U.S. and West benefit from effectively dominating the Tunisian economic market in terms of both investments and oil production, creating foot holes, particularly for the United States, not only in Tunisia, but the greater Middle East as well.

. The presence of the United States military has several benefits within the context of this economic "partnership" that are self-evident. First, the Ben Ali regime likely saw the U.S. military presence as a sign of both trust and the validity of their relationship. Secondly, the United States was able to protect their new found economic interests with military force if necessary, perhaps anticipating the chaotic state of labor in Tunisia due to high unemployment and a declining economy. Thirdly, military involvement in virtually any capacity benefits the elite in the United States, invoking the true nature of the military-industrial complex (Adams 1968, 652-656). In other words, not only was the U.S. able to profit from investments and economic dominance of certain enterprise in Tunisia, the act of using the military to protect these interests fostered yet another means of economic growth, if only a relative few individuals saw benefit. Lastly, one must remember that a core tenet of the Ben Ali regime's policy was silencing opposition. In fact, a major role of the U.S. military was to cooperate in conjunction with Tunisian military forces in gathering intelligence that might reveal attempts by the citizenry to rebel or usurp power from the established regime (Farish and Vitale 2011, 778-781).

Two important features of this case study come to light as a result of the aforementioned information. The most obvious of these is that the state of internal affairs in Tunisia as a result of the unequitable distribution of the benefits associated with this economic partnership with the

United States sets the stage for the Tunisian Revolution that ultimately launched the Arab Spring. This is an obvious example of regime change coming as a result of the neoliberal *laissez-faire* agenda. However, there is a slightly more subtle point to be made by the aforementioned information. The Ben Ali regime, in effect, liberalized to a degree in order to allow for the implementation of this policy. By privatizing what was once state-owned enterprise and reducing or ending a most regulations the Ben Ali regime had in place, a quasi-free market emerges as a result, meaning that there was a clear and fundamental change in the actions of the established regime, and with the definition as the research has posited in mind, this constitutes regime change.

Conclusion

Tunisia clearly experienced two regime changes, one minor and functional in nature setting the stage for a complete change in regime. Given the consequences of the actions by the United States and Tunisia in the cooperative implementation of the neoliberal *laissez-faire* agenda, it is clear that there exists a strong correlation between this implementation and regime change, giving (at least with respect to Tunisia) credence to the notion that the neoliberal *laissez-faire* agenda results in regime change in the developing world.

Algeria

Introduction and Historical Context

Algeria's response to the effect of globalization differs from that of Tunisia's for a variety of reasons, however, of such reasons, one stands as the most fundamental. Algeria's economic model economic model is in a state of flux, contrasting Tunisia's relatively developed economic identity. That said, Tunisia's response to the stimulus of U.S. foreign economic policy reflected its well-established political economy. In this model, a healthy political economy was, in effect, infiltrated by outside global influencers, exploiting well-established means of economic benefit. Algeria, however, sees the seizure of more nascent features of its political economy and shape the direction in which these features develop, fundamentally altering the response and consequences to the neoliberal *laissez-faire* agenda. Algeria will be examined in this research in two main ways. Firstly, looking at the historical effects on Algeria's political economy is used as a means to demonstrate the ways in which the country has already been affected by the emergence of type of economic globalization. Secondly, based on the state of affairs in Algeria as a result of the implementation of the neoliberal *laissez-faire* agenda, one can predict possible outcomes of such implementation in the future.

To critically analyze the effect of U.S. foreign economic policy on Algeria, one must briefly delve into Algeria's history, which ultimately shaped many of the features observed in the country today. Firstly, there is a conscious acknowledgement in Algeria that globalization has and will continue to shape societal, cultural, and economic features of the country, this being coupled with the observation that the Algerian societal structures are currently in flux (Algeria 2012, 1). The nation's experience with colonialism shaped much of the turmoil the polity faced as it began its development into the Algeria seen today. "French rule led to the political, social and ultimately economic marginalization of large segments of the native population, which left little opportunity for a sense of social responsibility and economic participation to develop," which paved the way for socialism to emerge in the nation (Algeria 2012, 1). As a result of this colonial and socialist past, the modern state of Algeria exists in its current form.

The domination of the region by France for the majority of the 19th and 20th centuries in and of itself caused the proliferation of a certain sentiments in the region. It was in direct response to French and Western dominance that Algeria initially took the path of Arab-Islamic socialism in the early 70s, a time when socialism was viewed as the antithesis of Western Liberalism (Algeria 2012, 1). During this socialist period, the view of the West as antagonists to Islam emerges. Ultimately the Western opposition to socialism and communism was conflated with anti-Islamism, resulting in the emergence of strongly anti-Western sentiments within small groups in the country (Zartman 2004, 217). Ultimately, such sentiments were ignited in the form of riots during the late 60s and early 70s in response to the Algerian government become more democratic, stoking the fire of anti-Western Islamism and further conflating socialism and Islamism in the nation (Zartman 2004, 217). However, socialism came to an end in Algeria, opting for a quasi-form of democracy in the early 1990s.

Shaping the Algerian Political Economy with the Neoliberal Laissez-Faire Agenda

With Algerian history painting a backdrop of internal instability, one can begin to see the both the historical and modern effects of policy implemented by international powers on the country. Ultimately, the modern picture of Algeria is one of transition. The militant fundamentalists are still present, but the civil war left them with a mere fraction of the power they had once wielded, the polity is gradually shifting to a market economy (though very slowly), and Algerian society is left with very little identity (Algeria 2012, 1-3). Looking at the internal strife of Algeria's socialist past, one can see why the country would be receptive to mutual economic benefits with the United States.

The lack of efficient government regulation of business has resulted in Algeria being an attractive place for multinational corporations (Algeria 2012, 4). As such, the impact of outside influences can be felt in both the Algerian economy and society. Renewed support for Algeria after the fall of socialism came largely from its former colonizer, France, and the United States. France and the United States began expanding its investment market into Algeria in the late 1990s particularly due to the country's OPEC alliance and profitable petroleum production and hydrocarbon alliance (Testas and Karagiannis 2012, 631-632). It is ultimately this outside involvement by the United States that allowed for the implementation of the neoliberal *laissez-faire* agenda and the shaping of the Algerian political identity. The general effect of such growth both worldwide and in Algeria can be summarized as follows.

> In the last three decades, the latest phase of globalization generally refers to various world-wide epoch-defining changes in the organization of societies, economies, and politics. The free market, laissez-faire agenda – based on the neoliberal assumption that markets lead to optimal outcomes – has been pursued by those who benefit from such a deregulated, winner-take-all environment. International capital has managed to restore highly profitable returns on investments and operations in certain areas (information technology and computers, financial services and speculation, etc.), creating opulent prosperity for some at the expense of many, resulting in growing inequality, poverty, and misery. (Testas and Karagiannis 2012, 632).

This account is not unlike Tunisia in many ways, given its economic growth at the benefit of the elite and expense of the average citizenry. It is clear, however, that Algeria has not quite reached the level of Tunisian corruption as a result of the neoliberal *laissez-faire* agenda. However, much of the available market has been exploited by these outside interests.

Essentially, the neoliberal *laissez-faire* agenda has been enforced by its championing by the West, the European Union, and the United Nations, resulting in "political commitments to liberalization," (Testas and Karagiannis 2012, 632). However, though the neoliberal view is promoted as creating the optimum economic environment, the benefits of the system are not equitably distributed in a developing country. To see this demonstrated, two factors will be examined: Algeria's hydrocarbon reserve dependency and unemployment.

Algeria is easily one of the world's largest sources of both oil and natural gas. The country has the 11th largest oil reserves in the world, and the fifth largest natural gas reserves (Rouag and Stejskal 2013, 148). However, looking at the access, production, and exportation of these resources over Algeria's history paints a picture as to the way in which U.S foreign economic policy has taken control of the country's economic markets. The following table demonstrates the rise in the exportation of hydrocarbons over the course of several years (Rouag and Stejskal 2013, 148). Though the percentage of hydrocarbons exported rose drastically, ultimately to the point that Algeria is exporting nearly 100% of hydrocarbons produced, there has not been a significant correlative growth in %GDP. One no doubt questions why this is the case, and the answer is, of course, the implementation of the neoliberal *laissez-faire* agenda. Foreign dominance of the hydrocarbon market has resulted in multinational and transnational corporations seizing the vast majority of profits from Algerian exports (Rouag and Stejskal 2013, 147-148). Therefore %GDP fails to grow in any meaningful way, and the Algerian economy begins to transition. The natural transition from industrialization for a developing country would be to consumerism. Algeria is no exception to this, developing a "consumerist behavior" as their hydrocarbon production is dominated by outside forces (Rouag and Stejskal 2013, 147-148).

Fig. 1: Algeria´s Dependence of Hydrocarbon (1962-2008)

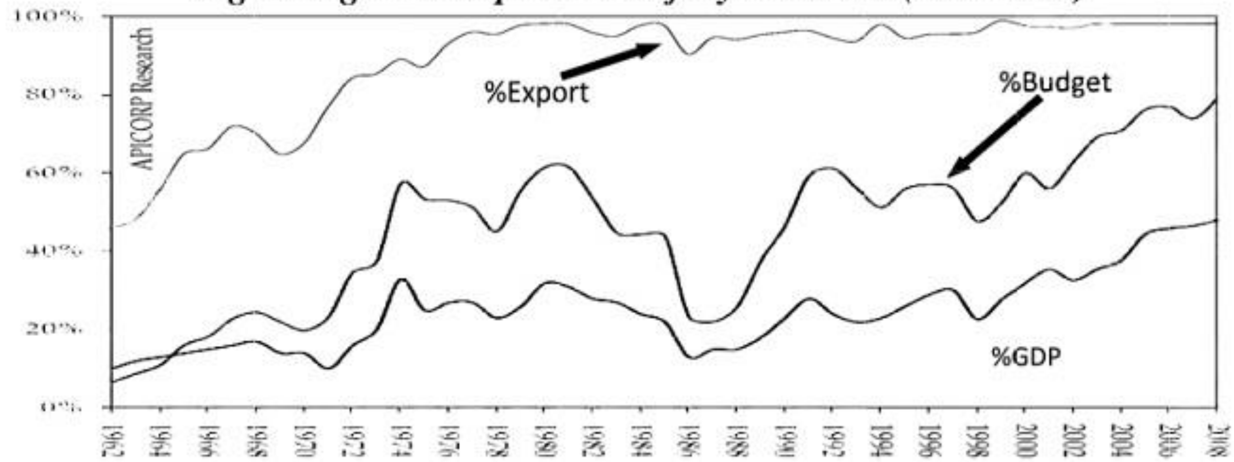

Figure 1 Rouag and Stejskal 2013, 148)

Since the renewal of Western intervention in the Algerian economy, particularly by the means of multinational corporations and investments, the unemployment rate in the country has been consistently high (Testas and Kargiannis 2012, 637-638). Additionally, foreign dominance of major industries in Algeria have led to problematic instances with education. Individuals with advanced degrees struggle even more to find employment than the rest of the populace due the enormous amount of foreign employment in Algerian industry, brought on by the aforementioned poor institutional systems in the country (Rouag and Stejskal 2013, 145). Moreover, deeper issues further the unemployment problem in the country, such as a gender. Both the overall unemployment, education, and gender gap features of Algeria are illustrated by the following table by Testas and Kargiannis. One can account for the disparity of employment between higher education and no education by keeping the aforementioned in mind regarding foreign employment in Algerian industry. One can assume the bulk of foreign employment is in positions of oversight and management—positions that would normally be held by individuals with formal education—and labor positions are held by those with little or no education, accounting for the relatively low (when compared to other demographics) unemployment rate for those with no formal education.

Table 8. Unemployment in Algeria (1989–2008).

	1989	1991	1992	1995	2000	2003	2004	2007	2008
Total (% of total labour force)	16.9	20.6	23.0	27.9	29.8	23.7	20.1	13.8	11.3
Female (% of female labour force)	15.9	17.0	20.3	38.4	29.7	25.4	21.3	18.4	10.1
Male (% of male labour force)	17.2	21.7	24.2	26.0	29.8	23.4	19.8	12.9	11.0

Table 9. Unemployment by education level (2010).

Education level	Male	Female	Total
Primary	7.5	8.0	7.6
Middle	10.5	12.8	10.7
High	7.0	17.2	8.9
University	10.4	33.3	20.3

Table 10. Unemployment by educational degrees (2010).

Degree	Male	Female	Total
No degree	7.2	7.7	7.3
Professional	10.5	20.2	12.5
University	11.1	33.6	21.4

(Testas and Kargiannis 2012, 638)

This clear shaping of the Algerian political economy by the infiltration of multinational corporations and investments from the West under the authority of the neoliberal *laissez-faire* agenda has its own set of consequences. The first of these consequences is poverty. Poverty in Algeria is the result of a simple coalescing of multiple factors, all of which have been previously discussed by this research. Firstly, the Algerian emergence from a state of internal strife that damaged much of the internal infrastructure and ultimately changed the country's political economy has resulted in poverty, particularly among those living in rural areas (2010). Secondly, poverty is a natural extension of unemployment, which, as mentioned before, is a significant social issue in Algeria. With the Algerian economy being dominated by transnational and multinational corporations resulting in a consumerist economy, there is little sign that the unemployment rate will decrease. Lastly, poor standards of education contribute to poverty in Algeria as well, typically affecting those in rural regions and limiting their access to working capital (2010). These factors are key in fostering the sociological shifts in the country.

In terms of regime change in Algeria, one can already see the minor, functional regime change the country has experienced, echoing the type of change Tunisia underwent as the Ben Ali regime allowed the neoliberal *laissez faire* agenda to proliferate throughout the country. The transition from socialism to quasi-democratic republicanism in Algeria is an indicator of the same type of transition. However, a larger and more impactful version of regime change occurred both as a result of the proliferation of the neoliberal *laissez faire* agenda into Algeria and the cultural impetus that developed on top of this as a result of the Arab Spring movement spawned in Tunisia (CNN 2011). Fearing a similar outcome to that of Tunisia, the Algerian government passed various legislative reforms across the political board, involving the economy, women's rights, and social justice, however, the Amnesty International notes that censorship of dissent and rights violations continue to occur in the country (Amnesty 2014).

A pattern emerges here with the infiltration of the economic markets of developing nations followed by silencing dissent and disproportionate distribution of benefits associated with the neoliberal *laissez-faire* agenda. With the aforementioned information in mind, it is clear that the United States' foreign economic policy infiltrated Algerian markets, resulting in a shift towards less regulation and quasi-free market capitalism. However, this shift, a minor regime change in itself, eventually led to the insurrection of alienated individuals within Algeria, forcing even further governmental reforms.

Conclusion

Though Algeria has not experienced the complete ousting of its federal government in favor of another, it has experience functional regime change as a result of the neoliberal *laissez faire* agenda. After Algeria deregulated most of its economic sector, particularly after the fall of socialism, the United States and other foreign powers soon gained almost complete control over the country's petroleum and hydrocarbon production, increasing the amount exported while keeping GDP growth to a minimum. The ensuing unemployment led to riots and ultimately reforms, though it is clear those reforms have not been fully implemented. Bearing that in mind, it can be said that Algeria is in a state of flux, that is, given the current dissatisfaction with the established regime and the continuing market dominance by the United States, it is not unreasonable to expect that Algeria may experience a more violent regime change in the near future. One could speculate the delay in this is rooted in the passage of reforms, foreign dominance in the region, and the silencing of dissenting views.

While it is clear that the neoliberal *laissez faire* agenda has resulted in the fundamental alteration of the established regime in Algeria, the country has yet to experience total regime change. As such, the strength of the correlation between the neoliberal *laissez faire* agenda and regime change in Algeria is a moderate correlation. However, should Algeria experience total regime change in the future, it is likely that this correlation could be considered stronger.

Conclusions from Tunisia and Algeria

Having looked at two geopolitically similar states, one can now form a more well-rounded view of the relationship between the neoliberal *laissez faire* agenda and regime change with respect to the Middle East/Northern African region. Tunisia, without a doubt, experienced total regime change as a result of this correlative effect. Market domination by outside forces that led to elitism and corruption within Tunisia inevitably resulted in the downfall of the Ben Ali regime. Algeria, likewise, has seen market domination by the United States, and though it has experienced regime change to a small degree, it has yet to experience complete regime change. However, the parallels between the two nations are uncanny, leading one to believe that it is likely that Algeria will experience a regime change in the near future.

With this in mind, it could be said the Arab Spring movement has its roots in the neoliberal *laissez faire* agenda due to its tendency to cause corruption, at least in Northern Africa/the Middle East, within established regimes and its unequitable distribution of benefits throughout a given country. These patterns emerge in both Tunisia and Algeria, and for the purposes of this research, will be considered strongly correlated. This will aid in the understanding of how the neoliberal *laissez faire* agenda has affected Southeast Asia as well.

Philippines

Introduction and Historical Context

The Republic of the Philippines is unique for one particular reason with regards to this research: it was a founding member of the United Nations, and the country was under control of the United States for a significant portion of its pre-Cold War history (Gochoco-Bautista and Socorro 2009, 90). After World War II and the Philippines establish a UN presence, the United

States relinquishes its control on the country, and a large amount of turmoil and corruption ensues, ultimately coalescing in martial law and civil insurrection that was not ended until the late 1980s when democracy once again gained footing (Gochoco-Bautista and Socorro 2009, 93). Since then, the Philippines have been plagued with governmental corruption, though the economy has managed to grow rather significantly despite this fact (Reyes and Sobrevinas et al 2010, 65-66). However, in addition to the perpetual government corruption, the Philippines has experienced two fundamental issues of note, both of which, as this research predicts, are rooted in the neoliberal *laissez faire* agenda. The first of these issues is the rising price of rice. Since January of 2007, the Philippines has seen the price of rice skyrocket, in part due to the nature of markets both foreign and domestic (Reyes and Sobrevinas et al 2010, 68). The second of these fundamental problems is the rising price of fuel. Fuel prices have also risen dramatically since January of 2007, due in part to the same reasons the price of rice has increased (Reyes and Sobrevinas et al 2010, 73). The ultimate effect of both of these issues is poverty and income inequality. As this research argues, this trend is directly linked the neoliberal *laissez faire* agenda.

U.S.- Philippine Economic Relations

Since the rise of democracy in the Philippines, the United States has had beneficial economic relations with the country. The United States is the largest foreign investor in Philippine markets, coming once again as a result of deregulation and privatization of state-owned enterprise in the country (Majuca 2014, 1-8). Here, one sees the first fundamental similarity between the Philippines, Algeria, and Tunisia. Privatization of state-owned enterprise and deregulation is the first step to implementing the neoliberal *laissez faire* agenda. It is also worth noting that the Philippines ranks in the top thirty exporting countries in the world, and though only a relatively small percentage of these exports go directly to the United States, the U.S. manages to dominate most of the industries that export products (Majuca 2014, 14). Additionally, the Philippine market has recently become more accessible by other foreign investors. At the behest of the United States, further reforms of regulatory policy and privatization of state owned enterprise occurred since the late 90s, an act that ultimately allowed the country to avoid many of the problems associated with the global recession (Majuca 2014, 15-16).

Once again, the image painted in the Philippines is one of economic dominance by the U.S. after gaining access through the neoliberal *laissez faire* agenda, resulting in economic dominance in the country. Moreover, it is this economic dominance by the United States that is connection to the rising price of oil and rice in the Philippines. According to data from Reyes et al, "In the case of rice price increases, results reveal that most of the households in the Philippines are net consumers rather than net producers of rice," and with the more rice being exported, internal demand is increased with less supply, resulting in poverty (2010, 97). Additionally, the United States' dominating of oil markets in the Middle East has affected the price of fuel in the Philippines. Given that the Philippines depends directly upon Middle Eastern nations, and in particular, Algeria, for oil imports, the United States effectively determines the price and quantity of oil received by the country, which Reyes et al have demonstrated has also increased the price (2010, 97).

The increased poverty as a result of this has, much like both Algeria and Tunisia, created public dissent and alienation. With corruption dominating the Philippine government, public dissent ultimately coalesced into a regime change in 2001. President Joseph Estrada had been presiding over a corrupt government that was using benefits received by the neoliberal *laissez* *faire* agenda to benefit the Philippine elite, and moreover, Estrada wanted to alter the Philippine constitution so as to further maximize this benefit (Majuca 2014, 39). In addition to this, a faction of Islamic fundamentalists known as the Moro Islamic Liberation Front (MILF) had managed to gain the support of many dissatisfied with the Estrada regime's goals (Majuca 2014, 40). The ensuing war between MILF and the Estrada regime ultimately ended with end of the established regime. The Philippine House of Representatives impeached Estrada after the rebel forces gained enough ground to have a meaningful impact on disrupting the established regime, and intelligence became available proving the suspected corruption by the Estrada regime (Majuca 2014, 40).

Once again, one sees the role of U.S. foreign economic policy in causing minor, functional regime change to occur that allows for further market infiltration, the benefits of which are disproportionately allocated to the elite, dissenting factions emerge and ultimately coalesces into total regime change. In the case of the Philippines, the regime to follow the Estrada regime saw some radically fundamental philosophical goals. Lead by Gloria Macapagal-Arroyo, a movement to radically transform the Philippine constitution has emerged, favoring a transparent republic model wherein the fundamental institutions of government are altered to mimic a hybrid legislature-parliamentary system (Majuca, 2014, 43). At any rate, a clear regime change occurred in the Philippines in direct response to the consequences of implementing the neoliberal *laissez faire* agenda.

Conclusion

As mentioned previously, the implementation of U.S. foreign economic policy in the Philippines had a direct impact on the country's regime change, once again dominating key economic markets that ultimately benefit the elite, causing poverty and dissent within the country that ultimately results in rebellion. In the case of the Philippines, it is clear that there is a strong correlation between the neoliberal *laissez faire* agenda and regime change, notably evidenced by the Estrada regime's desire to increase the received benefit from this economic arrangement. The Philippines followed a similar pattern in response to this type of policy implementation to that of both Tunisia and Algeria, demonstrating that this correlative effect is not limited to geopolitically linked states and polities.

Conclusion

This research has demonstrated that there is a strong correlation between the implementation of the neoliberal *laissez faire* agenda and regime change in the developing world. Specifically, the United States seizes the economic markets of developing nations, the logistical makeup of which ultimately disproportionately benefits the polity elite, resulting in corruption and public dissent. Stemming from corruption and public dissent, factionalism and destabilization result as poverty emerges due to the conversion of the country's economy to a consumerist prerogative. This ultimately culminates in an impetus for these dissenting factions to attempt a rebellion and implement a regime change.

Ultimately, the hypothesis of this research has been proven, insofar as is measureable by the available data analyzed by this paper, to be true. Moreover, the correlation between neoliberal *laissez faire* agenda implementation and regime change is not limited to developing nations that are geopolitically linked, as is demonstrated by the fact that the major characteristics underlying the process of this correlation are shared by Tunisia, Algeria, and the Philippines, each with their unique history and developmental process.

It can be said that implementation of the neoliberal *laissez faire* agenda in a developing state will see the emergence of:

- Minor, functional regime change that accommodates foreign investment through deregulation and privatization of public enterprise.
- Further reforms to the established regime in order to maximize received benefit. This benefit is then distributed among the elite rather than the citizenry.
- Poverty emerges as a result of economic conversion from production to consumerist.
- Factionalism rises out of dissent and alienation.
- Regime change ultimately ensues as a result of this factionalism

Certainly, logistical problems limit the scope of this research, though the patterns are sufficiently similar over a dataset of fundamentally different countries that it is not unreasonable to assume this system would apply to virtually any developing nation in the world. As such, this system could easily act as the basis of establishing a predictable model to be used alongside cost-risk analysis of foreign policy decisions in the United States. Consistently, the aforementioned trends emerge when the United States implements the neoliberal *laissez faire* agenda in the developing world. Therefore, making considerations with respect to this research on foreign policy decisions would likely be both wise and efficient.

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