

# report

## PROMOTING SOCIOECONOMIC DEVELOPMENT IN THE MENA REGION



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## PROMOTING SOCIOECONOMIC DEVELOPMENT IN THE MENA REGION

14-16 October 2018, Tunis, Tunisia

The Near East South Asia (NESAs) Center for Strategic Studies as part of its continuing series of Strategic Studies Network (SSN) sub-regional working groups and in partnership with the European Institute of the Mediterranean (IEMed) held its fourth NESAs-IEMed workshop on **“Promoting Socioeconomic Development in the MENA Region: A Toolbox that Provides Answers to Aspirations, Expectations and Deprivation”** 14-16 October 2018 in Tunis, Tunisia.



The focus of the Promoting Socioeconomic Development in the MENA Region was on the evolving nature of conflicts and regional challenges, social media and radicalization in MENA, as well as the impact of lack of good governance and civic activism. In addition, the group also analyzed the increasing negative impact of “non-traditional” security issues, such as climate change, water and food on security in the region. Behind many security issues lie the impact of shortfalls in domestic development and economic reform, further impacting stability in the region and the growing concern with spreading radicalization,

especially among youth. The group unanimously concluded that to be truly effective the root causes needed to be addressed, specifically good governance, economic development and corruption.

Ambassador Guillermo Ardizzone Garcia, Ambassador of Spain to Tunisia, Ministry of Foreign Affairs, European Union and Cooperation of Spain opened the workshop with comments focused on the challenges EU faces in the region, the crisis of youth/radicalization and EU initiatives for youth training and sustainable growth.

Mr. Josep Ferre, Acting General Director, Ms. Lurdes Vidal, Director, Arab World and Mediterranean Area, and Mr. Roger Albinyana, Director, Mediterranean Regional Policies and Human Development from IEMed moderated sessions along with Professor Anne Moisan from NESAs and Mr. Osama Sghaier, Member of Parliament of the Republic of Tunisia. The sessions were each introduced by a panel made up of two policy experts whose presentations fed into the subsequent open discussions under Chatham House Rule.

The workshop had 31 participants attending from nine countries: Algeria (2), Egypt (3), Germany (1), Israel (1), Libya (2), Morocco (8), Spain (3), Tunisia (9), and the United States (2).

The workshop was led by NESAs Faculty, Professor Anne Moisan and Mr. Roger Albinyana, Director, Mediterranean Regional Policies and Human Development from IEMed. The program was supported by Mr. Fahad Malaikah, Strategic Studies Network Program Manager, Alumni Coordinator and Overseas Program Coordinator with prep work completed by Mr. Daniel Ruiz-Giménez Coderch, Fellow at IEMed.

### **Highlights/Observations from the Working Group**

Two perfect storms have struck the Arab world in the past decade. In 2011, in what was at first optimistically called “the Arab Spring,” (later referred to more

realistically as “Arab revolutions”) reflected popular uprisings unseating long-standing autocrats across the region. Hopes ran high that these peaceful protest movements would usher in a new era of democracy in the Arab region. But except for Tunisia, they ended in deadly civil wars or return to authoritarian-like rule. Then, in 2014, many regional leaders were dealt another blow when the price of oil plummeted, threatening the basic model of rentier governance on which their power rested. Low oil prices since have made it difficult for regimes to fund bloated social budgets, huge government bureaucracies, buy off elites when needed, and continue to hold at bay long-postponed reforms. The



NESA-SSN-IEMed workshop gathered top-level researchers from a variety of regional Think Tanks and Research Centers from North Africa, the Levant, and Europe who are members of NESA's SSN or part of the EuroMeSCo – Euro-Mediterranean Research, Dialogue and Advocacy group. They came together to analyze the ongoing socio-economic trends in the MENA region, while providing policy approaches and recommendations for the future. Specifically the themes covered by the workshop were embodied in six main sessions:

1. Conflict dynamics and regional challenges
2. Social media and youth radicalization
3. Good governance and civic activism in the region
4. Non-traditional security issues: climate change and water
5. The impact of domestic development and economy on the reform

processes and stability of states

## 6. International actors in regional conflicts: the rise of Russia, China and the Gulf countries

### 1. Conflict Dynamics and Regional Challenges

The scene setter was very timely ahead of important regional challenges such as migratory displacements, climate change, and adverse demographic trends in Africa. Overall, the region is not facing isolated crises but intertwined conflicts that can only be tackled if countries are willing to cooperate/collaborate with each other. In this regard, the speakers expressed their confidence in continuing to promote multilateralism in the region as the most effective tool to manage increasing intraregional interdependencies.

As such, Spain hosted on November 8th 2018 a conference of Ministers of Foreign Affairs from the 43 countries of the Union for the Mediterranean, which brought together governmental representatives from countries of both south and north of the Mediterranean. One of the main challenges discussed at the ministerial was how to better integrate youth in the Southern Mediterranean societies to achieve a significant leap forward in development, reinforce stability and secure gains in a sustainable manner. These efforts would be spearheaded by adopting policies that ensure the well-being, productivity, self-determination and good citizenship of their young population, as well as continued/sustained growth and a fairer distribution of wealth. Finally, highlighted was the strategic and pivotal role Tunisia could play in securing a prosperous and sustainable partnership between north and south of the Mediterranean.

Participants raised two recurring questions of late – the very continued existence of the “state” and the fact that traditional approaches/tactics to address security challenges such as terrorism which might have worked in the 80s and 90s were no longer effective. With most countries lacking a well-fleshed out “vision/identity” countries continue to suffer for a status quo paralysis. Predictions though a bit dire were based on a track record so far where states in the region would be unable to keep up with the dynamic changes coming their way. Faced with the

“crisis of state” the fall back would be a gradual refocus on stabilization and new forms of state authoritarianism. As a result, reform would at best slow down, if not stop all together. While the Europeans were more optimistic, regional players were resigned to things getting a lot worse in their states and in the region. “States are just not making enough progress...”

## 2. Social Media and Youth Radicalization in the Digital Era

Youth is often perceived by the authorities as a negative and destabilizing factor in the region, whereas jihadists promote youth as if they were the solution. Likewise, youth is not only determined by age, but rather by social conditions (employment, marriage, self-sufficiency...) where “extended youth” is the new normal. Social media has become an integral part of this new youth culture whereby technology has promoted a cloak of anonymity and created desensitized audiences to the often harsh reality around them.



The challenge of Arab youth is to find, earn and take its rightful place in society in a less than hospitable security environment. In this context, it is no surprise that conflicts perceived or not intersect personal, family, local, regional, national and global. Under these circumstances, an alternate reality provided by jihadists/extremists is often very appealing.

Dealing with social media and youth radicalizations leads us to think in terms of the challenges and contradictions that they generate. While social media

technology is neutral, it is yet another tool to effective recruiting, educating and enlisting and bring together like-minded people. A high level of social media saturation and access to “other” realities, coupled with low levels of socio-economic development is a challenging phenomenon. While these have not only been analyzed through old, academic lenses, government’s inability to embrace these new technologies put the “established State” at a distinct disadvantage in trying to counter these very effective radicalization efforts. As a radicalization tool, social media relies on isolating individuals and effectively accelerating the process of radicalization. Hence, challenges for governments lie at how best to work with social media platforms, how to create effective/appealing alternate counter-violence messaging on social media and how to mitigate mistrust of all public institutions while forging a new social contract.

There are clear evidences of the rising tensions between the State and youth as the first is reluctant to recognize space for the second one or more importantly share political power. With far too few jobs or opportunities, many youth in the region reject the concept of state, citizenship and political participation entirely. Instead many embrace netizenship where they find like-minded people and subcultures where they feel comfortable and a sense of belonging. On the other hand, while youth find a gap between state/society narratives and actions, terrorist organizations provide a synchro-nicity between narratives and actions. Alternatively, ISIS provides a vision, functioning government and addresses long-standing grievances. Furthermore, the latter fuels victimization and bonds affiliation with jihadi narratives against the State or the “other”. Jihadists have a fine tuned understanding of issues that motivate youth, especially those centered on failure of governments to address grievances, corruption and disenfranchisement, social justice and the need for a revised social contract.

Throughout the debate the following points were earmarked: crisis of public and private institutions, violent extremist groups deliver more than institutions, the failure of spaces for socialization (family-school-mosque), education for the

labor market or education for a market of values, need for increased participation in public life, inclusion of political Islam, absence of youth policies in government agendas, as well as the absence of well-defined patterns in radicalized profiles.

Overall, the debate laid out the existence of deep mismatches between citizenship and the State, youth and adulthood and a devolving/out dated social contract.

### **3. Good Governance and Civic Activism in the Region**

Having addressed many of the good governance issues in Session Two when discussing radicalization of youth, the discussion shifted to a number of issues and disappointments in current governments. From the lethargy among traditional parties, the lack of national vision and understanding of “citizenship” to the simple failure of governments to efficiently run the business of the State, lack of transparency and accountability and unchecked corruption. Attitudes ran the gamut from “civil society are all fronts and funding sources for terrorists to “what do you do with 45,000 NGOs in one country [Egypt]”.

There was a broad concern about the level of involvement (if any at all) of civil society organizations (CSO) in the public decision making, a process which could help increase public accountability in all countries of the region, as well as about the decline in the role of trade union organizations. Instead, over time the relationship between public administrations and citizens has not improved and in most cases it has become negatively perceived, which further fuels frustration. This has prompted citizens to find new ways to intervene in public life by using internet and social media to articulate social complaints while reaching out and mobilizing as many other likeminded citizens as possible.

Some of the participants also expressed concern about the evolution of civil society as it has been characterized for its dependence on political parties, on the State or its non-existence as such. Furthermore, while social activism in the past was focused on post-material values, lately it has shifted increasingly to more material things. In this regard, some continued to insist that civil society

organizations have a useful and separate role to the political parties. Many firmly believed that civil society must remain separated to be effective, although others insisted that they need to be able to impact the sphere of politics, while remaining separated structures.



While civil societies were viewed as a source of employment with 10-13% of the population often calling that as their primary source employment, legal frameworks, accountability and transparency were seen as problematic especially dealing with huge international donor funding. While quotas for women and youth were discussed, there were mixed views on its effectiveness in changing the demographics of political parties, as well as government representation. Many thought unqualified women and youth did more harm to the ultimate goal of integration, while others felt this was the only way to jump start/force inclusion.

#### **4. Non-traditional Security Issues: Climate Change and Water**

Over the years, the line between “soft” and “hard” security issues/threats have blurred. Countries no longer have the luxury of solely focusing on one to the exclusion of the other. We have seen governments teeter on failing based on food riots, natural disaster responses, illegal migration, droughts, etc. There are also very few thematic areas such as climate change or pandemics that can be

only tackled from regional and global instances. As far as the relationship between climate change and security is concerned, violent conflicts never have single causes but develop in complex, highly contextualized and often unpredictable ways. “Climate change is one of those threat amplifiers.” In each case, the ability and legitimacy of local and regional institutions in finding and negotiating solutions is central.

The complexity can be seen in the effects in Syria of the extreme drought and subsequent displacement of farming families from rural to urban areas during the years preceding 2011. Some argued that the drought, which, with a high degree of certainty, was a climate change-induced anomaly, was a major triggering factor behind the outbreak of violence, making the Syria crisis effectively a “climate conflict”. The same can be said with food riots in North Africa which threatened to topple governments. Many reject this as a simplistic notion without denying that climate change or “soft” security issues played a role. Instead, they point to the disastrous effects of the Syrian regime’s agricultural policies and the removal of subsidies at the very moment of severe crisis, which led to the destitution and displacement of hundreds of thousands of rural families. Similarly, food price hikes in Egypt caused by the food crisis in 2008 may have contributed to social unrest but was clearly not the main factor behind the Egyptian chapter of the Arab Spring.

It was agreed that in some contexts, climate change impacts on natural resource access and livelihoods may be contributing factors in multi-causal conflict dynamics. What nobody can actually question is the role that these non-traditional security issues increasingly play in the context of regional conflicts and turmoil. In this regard, environmental security especially threatens the security of the traditional weak Arab States. In spite of the fact that these very same states try to isolate the political and military components of its security. Increasingly these non-traditional security issues play a growing role in the global security order. The prevalence of traditional security problems caused by internal weaknesses of the state in the form of increased migratory flows or new forms of terrorism is aggravated by the impact of climate change,

the risk of “water wars” due to increasing competition for transboundary water and doubts on food security. All these elements pose a direct threat to the well-being of people in the Mediterranean region and have to be seriously incorporated by policy makers into their security equation. It also refocuses the critical importance on enhancing regional cooperation and governance.

Similarly, some of the initiatives envisioned across the region to speed up mitigation and adaptation processes are in line with the 2015 Paris Agreement – though the need to foster green economy are currently hampered by the lack of regional coordination. Nevertheless, there are a few relevant examples in the region where governments have put in place the conditions to favor green growth through changes in the national legislations, tax reforms, and public-private-academic partnerships.

Throughout this session topics such as water scarcity, the energy-water-food security nexus, the prospects of sea rise in the Mediterranean Sea and the dependence of Arab countries on food imports were evoked.

Highlighted by our European colleagues was the crisis posed by multilateralism to any significant progress on the implementation of the Paris Declaration. In addition, there is evidence of asymmetry between governments and academic thinking. Whereas the first ones take a short term approach to the problems, the second ones often have difficulties to translate their technical proposals into an understandable text for policy makers. It was even suggested that “science diplomacy” might help bridge this gap between the two groups.

Finally, the group concluded that unless a holistic and pragmatic approach helps integrate climate change, water and food security nexus into new policy initiatives, significant progress will not be achieved. Many of the required actions cannot wait for other political conflicts in the region to be resolved; therefore public opinion, elites and think tanks must continue to exert pressure in the region on policy decision makers.

## 5. The impact of domestic development and economy on the reform processes and stability of states

The absence of stability in many countries of the MENA region is often referenced when discussing the slow (and slowing) pace of implementing an agenda of comprehensive and sustainable reforms. Thus, the question arises on whether reform is possible when there is no stability or insufficient stability, and whether stability has to be prioritized over democracy in order to achieve economic development.



This session looked at the structural and long-term patterns, as well as at the recent developments of the economies in the southern Mediterranean countries. The goal was to better understand the potential impediments to structural reforms. In general terms, economic development in the MENA region is very much dependent on commodity prices of imports and the external demand for MENA goods. As a result, since 2010 economic growth has significantly deteriorated leading to increased unemployment or underemployment of human resources in Mediterranean economies. This has led to a non-inclusive model of economic growth which has not only excluded a growing segment of the work force from the labor market – specifically youth – but also has kept female labor participation low and inequalities widening relative to their percentage of the total population.

The need to massively import goods and services from outside the region is not balanced by other key economic sectors such as tourism or remittances. This leads to long-term and growing negative trade balances for many of the countries in the Southern Mediterranean. In addition, long lasting conflicts and unresolved political disputes have aggravated the conditions for sustainable economic development, and led to massive economic-driven migratory displacement of people.

One can expect chaotic political situations to continue to arise with political and social upheaval, weak and poor governance and international external conflicts to become the norm. Commodity prices will continue to be low shattering the “elite” ruling classes in many countries and leading to government vacuums unable to be filled in more traditional ways. In many parts of countries there will be increasing governance vacuums where the central authority will be in many situations replaced by other national and transnational groups. Coupled with continuing economic decline, growing public discontent, and weak private and civil society actors, the demographic pressure, especially among youth will likely lead to persistent conflicts and fragmentation. This environment as it falls into further instability, might trigger even more international intervention by outside players, more specifically Russian and China.

Institutional reforms in many countries have slowed down or reverted since 2014. These reforms have come either late or pressured by foreign powers. The new wave of authoritarian rule, the unresolved long-lasting conflicts and the widening of economic inequalities are impediments to key reforms in the region. The region is currently composed of countries in various states of evolution or transition with some moving more in a positive vector, while others are regressing. Economic structural reforms are important, so is local development in the border areas and inner cities. In this regard, it is almost impossible to establish priorities in terms of reforms given that the whole territory becomes important (central, periphery, national, local...).

This session took account of many underlying debates related to the need to implement a reform agenda that encompasses the sustainable goals and the

principles of human security that fights corruption and reduces bureaucracy that promotes decentralization in the countries, and eventually creates a new social contract between the State and the society. However, even among the regional participants, there was no consensus on whether decentralization was good or simply detracted from the authority and undermined the State. Many also were pragmatic and accepted that the priority would continue to be very much on security/stability, even at the expense of reform.

## **6. International Actors in Regional Conflicts: the rise of Russia, China and the Gulf countries**

The financial involvement and support of international players – Russia, China and the Gulf countries (Saudi Arabia, the United Arab Emirates, and Qatar) have extended patronage across national borders and sub-regions. Alleged collusion between radical-affiliated elements and officials allied with the internationally governments indicates patronage networks that potentially cross the frontlines of the transitioning states and states in conflict. As greater numbers and a wider variety of actors profit from illicit activity and interference in the internal matters of states in the region, these interests become even more entrenched. As one participant put it “... International actors bring volatility, uncertainty, complicity and ambiguity.” The Middle East is inherently unstable and international players are using the region for their surrogate games of intrigue further undermining any positive efforts. While most saw China’s role in the region as benign; Russian involvement was not seen in any way as innocent. Since 2011 the region has seen unprecedented activity by Saudi, UAE and Qatar – some welcomed, some invited and some unwanted. The triangulation of China, the Gulf [GCC] and Russian was seen as a counter move to U.S. retreat (either real or perceived) from the region. In many cases, these players are seen as creating and continuing conflicts in the broader region without any consideration of the consequences, both short and long-term. None are seen to demonstrate any commitment to peacemaking or providing political solutions, such as has been seen in Syria, Yemen and Libya.

That said, in a number of cases these countries have long political, social, religious and economic ties with the region. Egypt has 75 years of diplomatic

relations with Russian; China has strong and growing trade relations with many African countries. In many cases though the international players share a much focused transactional relationship with MENA. Without a well-organized governance to fend off international advances, most countries at best try to remain as non-aligned as possible lest they lose much needed financial support.



The Workshop was able to provide a venue for senior security experts from NESAs SSN and think tanks and research centers from EuroMeSCo to review and analyze both traditional and non-traditional security challenges facing the U.S., EU, and the countries of the MENA region. The focus during the program was on the evolving nature of conflicts and regional challenges, social media and radicalization in MENA, as well as the impact of lack of good governance and civic activism. The increasing negative impact of “non-traditional” security issues, such as climate change, water and food on security in the region was also examined. The impact of shortfalls in domestic development and economic reform, stability in the region and the growing radicalization of youth added to the list of challenges nations of MENA face. There was a renewed realization that success lies in serious efforts to address, good governance, economic development and corruption. The program ended by commitment by NESAs SSN and IEMed to further refine the series on radicalization and non-traditional security threats with a joint program in October 2019.

