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# DRIVING SOCIAL AND ECONOMIC DEVELOPMENT IN THE MENA REGION: THE ROLE OF INTERNATIONAL ORGANIZATIONS

STAKEHOLDERS' ENGAGEMENT MEETING REPORT

Organizer: **Center for Public Policy and Democracy  
Studies (PODEM)**



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# DRIVING SOCIAL AND ECONOMIC DEVELOPMENT IN THE MENA REGION: THE ROLE OF INTERNATIONAL ORGANIZATIONS

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Meeting rapporteur: David Weil<sup>1</sup>

### INTRODUCTION

On 15 November 2018, the Center for Public Policy and Democracy Studies (PODEM)<sup>2</sup> hosted a stakeholders' meeting in Istanbul with twenty-nine participants, including academics, experts, and representatives from civil society and international humanitarian and development organizations from Europe and the MENA region, as part of the Middle East North Africa Regional Architecture Project (MENARA).<sup>3</sup> Through two panels of expert presentations and facilitated discussion, the participants addressed present challenges, ongoing transformations and future opportunities facing societies across the region, as well as the role of international organizations in addressing these challenges and opportunities. This report will summarize the discussion during that meeting in two broad parts, focusing on the region's challenges and positive developments respectively and is further divided into sections by issue subject. Two sets of policy recommendations are provided at the end of the report.

Overall, the report reflects a bracing discussion of stark challenges facing the region. Some are long-standing, with decades of failure by political and economic systems to deliver dignity and prosperity to publics across the region. However, the post-2011 period in particular has been a confused and demoralizing environment for actors who are seeking to promote pluralist, democratic and multilateral policies across political, humanitarian and developmental agendas. Conference participants discussed the need to acknowledge these challenges in order to maintain the focus and make the resolutions that are necessary to alleviate and solve them. Many conference participants agreed that the region faces unique challenges in solving the crises it faces, and noted the benefits of studying peace-building in other regions as possible blueprints for new regional architecture that will foster lasting development. Moreover, they discussed the need for international and regional organizations to articulate a new strategic vision that takes the entrenched challenges facing the region into account and to offer a guide toward meeting humanitarian and development goals.

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1 David Weil was a PhD candidate in the Near Eastern Studies Department at Princeton University.

2 PODEM is a consortium member of the MENARA project. PODEM would like to express its sincere thanks to David Weil for his contribution in the realization of this report.

3 See and read more about the MENARA project: <http://www.menaraproject.eu>.

## 1. ONGOING CHALLENGES

### 1.1 ABSENCE OF VISION

Participants discussed the need to generate a new vision, at the local and international level, in order to address the seeming deadlock of humanitarian and development issues in the region. Without such a vision, it is at a minimum difficult to evaluate progress, and with the wrong vision in place development efforts could prove wasteful, by further dividing local societies. Some participants argued that the process of generating this vision will be inherently difficult, because of the specific interests of donor governments and international organizations, which may not prove to be compatible with those of other international and local actors.

The discussion raised a further difficulty in generating a strategic vision of this kind: the lack of a clear framework among many local and international actors of what represents an acceptable solution to the various development problems facing the region. This makes international actors slow to react in the face of authoritarian leaders in some of the region's countries who present themselves to their own societies and to the world as preferable to the chaos of multilateral or democratic processes aimed at solving the same problems. One example of a result of this lack of vision is the Western focus on counterterrorism: Western governments spend millions of dollars on tracking individual fighters who return from battlefields in the region but spend relatively little on far more fundamental drivers of instability. One participant noted that while the USA is often singled out for this criticism, European governments suffer from the same bias.

Along with the lack of a comprehensive vision, several participants even suggested that the common understanding among international and regional actors of a number of fundamental terms and concepts is also losing earlier reference points, such as "the economy", or "markets", or "good governance". Many participants cited the disjuncture of the Arab uprisings, as well as the rise of China, as part of a process that undermined the consensus on what phrases of this kind meant. Many leaders around the region now state that they want to emulate China, but seem to have a narrow understanding of what steps were necessary to engender the reforms that made China prosper.

### 1.2 INTERNAL TRANSFORMATIONS – AUTHORITARIANISM AND CO-OPTED REFORM NARRATIVES

Participants discussed the challenge posed by societies in some countries across the region that have seen intensifying authoritarian politics, in which leaders make less effort to hide their repression and there are large domestic constituencies for authoritarian leadership. Part of this discussion explored the way in which authoritarians use the language of reform as a tool to make the concept of "governance" serve authoritarian interests in order to consolidate control over society. Several participants pointed out the failure of top-down reform agendas across the region throughout its history, and emphasized the need for reforms to arise through democratic channels in order to have a lasting effect.

Participants further discussed the conditions that allow reform agendas to take deep root in government and society. Discussions explored the combination of local demand and simultaneous international support and guidance that are necessary both to pull and push reform measures into place. In contrast to these observations, several participants cited a tendency across the region to hold out narrow reform agendas as silver bullets, for example anti-corruption or entrepreneurship. Attendees expressed scepticism that these will have any more success than previous slogans that have failed to shift socio-economic fundamentals. As an example, one participant described the way some Arab leaders trumpeted industrialization to replace the agricultural economy in the 1930s, the service economy to replace industrialism in the 1970s and now the “knowledge economy” – all despite the fact that agriculture still employs roughly 24 per cent of all Arabs.

Participants suggested that realistic reform agendas would start with an accurate assessment of the fundamental structure of the state–society nexus in the taxation and redistribution system. In this light, one participant suggested differentiating the approaches of several countries into models, each of which presents different opportunities and constraints, and requires different modes of evaluation. Examples include Tunisia, which emphasizes public transparency; Jordan, which focuses on high-profile anti-corruption cases; and Egypt, where policymaking for the formal economy is dominated by state-aligned business elites and the needs of the masses are served by a parallel economy.

### 1.3 CHANGING PARADIGMS OF VIOLENT CONFLICT

Participants also grappled with transformations in how governments and regional security and political structures are developing and implementing policies to shape and respond to changes in conflict and post-conflict scenarios. Attendees perceived current regional geopolitical competition as being comparable in intensity to the Cold War, but as lacking the general ideological coherence of that period. Regional proxy wars pose massive localized problems while also highlighting even more existential threats, such as nuclear proliferation and environmental collapse.

Discussion further explored the new way in which actors approach resolution in conflict and post-conflict scenarios. Regional actors have shifted from the conflict resolution paradigm of power sharing, dominant through the 1990s and 2000s, to an emerging trend of seeing conflicts as zero sum, in which governments, either participating directly or through proxies, support their chosen belligerents to total victory rather than pressuring them to make deals and end the conflict.

Several participants observed that international actors still pushing power sharing as a model have failed to address this ongoing shift in conflict dynamics. Syria provides an example: as the civil war began, western representatives such as US Secretary of State John Kerry continually referred to power sharing arrangements that seemed out of touch with the dynamic of conflict in that country. Participants argued that these dynamics deserve further study in order to craft effective agendas for conflict and post-conflict humanitarian and development cases.

## 1.4 A BROKEN SOCIO-ECONOMIC CONTRACT

Attendees unanimously agreed that the region faced a surfeit of problems and a paucity of solutions. Distinguishing the regional socio-economic baseline from the crises in Syria and Yemen only highlights the extreme challenges facing even those societies not dealing with violent conflict. Moreover, the hundreds of billions of dollars that will be needed to help Syria and Yemen rebuild after the “crisis” stage show the urgent need for more international dialogue on where that money will come from and how it will be spent.

Participants agreed on these basic points: that there could be no development without peace and security, including sustainable, transparent and inclusive governance; the systemic transformations needed are long term but politics is short term, posing challenges to local and international actors; and the region is very fragmented and diverse, which makes a regional strategy difficult, but authoritarian retrenchment and economic challenges pose some similarities. That is, the region at present appears to have problems that are similar from country to country, but very few countries share positive dynamics.

The overall picture across various developmental indexes is consistent in showing an incapable state, a sclerotic economy and a broken social contract in which rising human development indicators and education levels have not led to increasing levels of self-sustaining economic dynamism and political involvement but instead to societal demands that governments cannot manage. Urbanization is increasing, and is currently at 58 per cent of the total population, but the definition of urban space should be refined. The labour force participation rate is the lowest in the world, at 48.6 per cent, and youth unemployment is 26.7 per cent, according to International Labour Organization estimates (2018). Meanwhile, the region’s general government debt is 80 per cent of gross domestic product (GDP), while the average tax base is limited and regressive at 20 per cent of GDP.

## 1.5 CONCEPTUAL AND TECHNICAL CONSTRAINTS OF DEVELOPMENT INSTITUTIONS

In responding to these complex, nested challenges, conference participants agreed on the important role the conference played in offering the chance for a reality check, including a taking stock of challenges in ways that some institutions and actors find difficult to discuss frankly.

All the participants recognized the fundamental challenge of ensuring that external support does not undermine the long-term effectiveness of humanitarian and development projects. The bureaucratic constraints of funding duration and selection criteria for acceptable local partners pose challenges for sustaining project outcomes. Many conference participants suggested that a fundamentally new conception of the definition of civil society will be necessary. This will be more inclusive in order to recognize the social actors who are able to demand the kinds of changes that could undergird stability. Other attendees broadly defended current standards by explaining the challenges that international organizations face in determining in advance which local actors are capable of sustaining effective solutions to existing problems. The ambition to make better partnerships exists, but realizing that ambition is much harder.

Attendees also discussed the ways that aspects of the political culture or organizational mission of development actors can have important unexpected consequences. A key example is in projects designed to support political values such as devolution or decentralization, which may not promote empowerment and participation as intended but instead further weaken the governance of fragile states.

A different challenge that participants discussed was how to qualify the role that narrow national interests play in certain development and humanitarian agendas. For example, how much aid to the MENA region is effectively contracting international organizations to solve domestic European political problems regarding migrants and refugees? And what are the implications for other issues if the European reaction to the migration issue is not an outlier but a new trend? Participants mentioned Italian funding of Libyan coastguards and militia as an example, or aid to Turkey and Jordan for hosting refugees, as areas needing more analysis to judge the effect of these European political priorities on regional dynamics.

## 2. OPPORTUNITIES FOR PROGRESS

### 2.1 EVALUATING DEVELOPMENTAL AND HUMANITARIAN PROGRESS

Discussion repeatedly returned to the question of who can solve these problems. Conference attendees repeatedly cited progress that is being made by very narrowly defined issue-specific organizations focused on areas such as waste management, electricity or agricultural land issues. Participants acknowledged that these problems seem insurmountable when viewed at a macro-scale, but argued that even if micro-level solutions seem inadequate given the scale of regional problems, they may be the only way to make progress.

In contrast to the positive example of incremental progress on small, non-politicized social welfare issues, conference attendees criticized the recent emphasis on “entrepreneurialism” as a solution to regional socio-economic problems. Instead of being repeated as a slogan, entrepreneurship should be studied against other economic and social methods for creating prosperity. Otherwise, they argued, “entrepreneurship” is a way of turning employment into an individual responsibility, which is used both within national economies and for refugees as a way of making individuals responsible for their own well-being rather than holding the international community, belligerents and proxies, or governments responsible for the welfare of their citizens or refugees. Conference participants discussed this shift in responsibility as a consistent theme.

### 2.2 YOUTH

Meeting attendees agreed on the clear need for better studies of youth attitudes and living conditions, and for programmes to integrate youth into empowered roles in their societies across the region – including in the processes of forming development and humanitarian policy. Discussion indicated that it remains difficult to articulate how this might occur. Some conference participants pointed out that the mythology surrounding the role of youth in the transformation of MENA societies is an obstacle to understanding the patterns that actually exist in how young people interact with social transformation. Conference participants pointed out that, while theory suggests youth should be

at the forefront of change, this is not usually the case: often a movement will begin in another demographic or sector, then youth will play a role at an initial tipping point before subsiding and returning to a passive role, without ever having a decisive impact. This is despite the persistence of problems such as unemployment that heavily impact this demographic.

Participants spoke passionately of scale of the problem posed by a failure to integrate the young into sustainable, dignified, empowered roles in their society. With well over 100 million people between the ages of fifteen and twenty-four in the region, this is a vast challenge. This is not only a regional issue, as measures of general well-being are consistently lowest among youth across the globe, but one problem facing the MENA region in particular is that youth movements have been susceptible to cooptation by regime-controlled youth organizations. Some attendees suggested that the region's youth should focus instead on incremental progress on issue-specific movements that serve their interests, such as the environment or education.

### 2.3 REFUGEES/DISPLACED PEOPLE

Meeting discussions pointed out that while refugee crises and displaced people are not new to the region, and in fact have shaped regional politics at least since the Palestine crisis, the Syrian war has massively transformed perception of the issue locally and around the world. It was stated during the meeting that 55 per cent of world refugees and 38 per cent of internally displaced persons are from the region. The average length of displacement is twenty to thirty years, this being even longer for Palestinians.

The attendees shared the view that individual actors cannot shoulder these responsibilities alone, and neither can countries, international organizations nor local civil society. There are clear guidelines in international law about the obligations to refugees by host and transit nations, and sharia also imposes the obligation to provide *amaan* (safety), but implementation standards vary widely. Meanwhile, political currents across Europe and North America are divided between the commitment to treat refugee crises as global collective responsibilities and the rejection of this responsibility based on xenophobia and Islamophobia. It was reminded that humanitarian problems ultimately require political solutions, and the Global Compact on Refugees, which should be adopted by the United Nations in late 2018, will represent a major advance in putting political authority behind updated standards.

### 2.4 REGIONALISM – OBSTACLES AND OPPORTUNITIES FOR PROGRESS

Conference participants discussed forums like this one as a template for a possible solution in MENA, in which the process of regional actors designing the structures of dialogue would itself be a form of peace-building. Government participation in the forums would incrementally build an institutional commitment to practices of non-violent and positive-sum conflict resolution. Water management cooperation was discussed as an area that properly structured institutions could transform from a source of conflict to a basis for cooperation.

Latin America was discussed as a positive example: during the Cold War hugely negative dynamics engendered conflict, but later actors pushed the region to adopt broad-based forums

for cooperation. These started small, but grew into a regional reintegration and peace process, initially in small countries such as Colombia, Guatemala and Nicaragua. Similarly, other regions around the world, such as South Asia, have actors who work as first movers to foster cooperation on regional challenges such as water crises, either in the aftermath of or even despite ongoing conflicts in other areas.

## 2.5 NOVEL APPROACHES, POSITIVE CHANGES

The participants addressed the tension between the opportunity to direct resources more efficiently by identifying examples of innovation and “success” and the pressure to sustain resources directed to problem areas lacking immediate prospects for resolution. Some participants suggested this tension is rooted in the structure of post-Second World War international organizations themselves, which were created to prevent worst-case scenarios of mass violence and deprivation. Meeting participants argued for a new development and humanitarian agenda of investing in factors that contribute to developing real well-being and not focusing merely on preventing violence. Rewarding success could take place at a local level, or potentially at a national level: participants mentioned the relative successes Turkey and Jordan have had in hosting refugees relative to other countries. At either level, the goal would be to offer a model for other actors to emulate.

Discussion also touched on the transformations of the information and communications landscape, which despite their pervasiveness have still not triggered formal changes in governance methods. Youth in Lebanon can tweet directly to government ministers about rubbish not being collected and expect answers; yet the social order and politics have not incorporated these developments or resolved the new tensions in social expectations and governance practices that result. This is a challenge for governments in the region, but also offers a valuable source of feedback for development actors in isolating and testing solutions to problems at the micro-level, which are less politicized and offer more room for engagement and resolution.

Some participants suggested the benefits of adding faith-based local institutions into the conception of civil society used by international organizations. These benefits centre on their deeply established presence in local communities and their related ability to maintain effectiveness after international projects end. Despite this, they currently lack a seat at the table during long-term planning, which could be a missed opportunity for more effective and sustained development.

## 3. NEW DIRECTIONS AND RECOMMENDATIONS

### EFFECTIVE PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

—Commit to regular evaluation and stock-taking, even if the news and analysis are disheartening. Only realistic strategies can sustain progress and prepare for exploiting new opportunities.

—Create better academic-bureaucratic partnerships: create more opportunities for engagement between academic experts and bureaucrats, so that their differences in training and methods can be synthesized to better plan and implement development goals.

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- Prepare for regional institutional transformation by building bilateral peace-building networks. (e.g. modelling Latin American and South Asian successes in containing and de-escalating conflict.)
  - Focus on the progress that can be made on less-politicized issues with outsized impacts. Some examples: de-mining, rebuilding urban spaces and support for women, youth and free media.

### **NOT JUST “RECIPIENTS” OF AID: INTEGRATION AND EMPOWERMENT**

- Integrate refugees into aid programmes, ensuring they contribute their knowledge and expertise. Change the focus of empowerment from “give refugees a voice” to “listen to what they are saying”.
- Rethink how to incorporate into planning, development and humanitarian projects those local institutions such as religious organizations that are not generally seen as appropriate civil society partners – or clarify the reasons why they are not being included.
- Forge partnerships across public and private sector organizations in the region such as non-governmental organizations, private business and even Islamic financial institutions.



**Middle East and North Africa Regional Architecture: Mapping geopolitical shifts, regional order and domestic transformations (MENARA)** is a research project that aims to shed light on domestic dynamics and bottom-up perspectives in the Middle East and North Africa amid increasingly volatile and uncertain times.

**MENARA** maps the driving variables and forces behind these dynamics and poses a single all-encompassing research question: Will the geopolitical future of the region be marked by either centrifugal or centripetal dynamics or a combination of both? In answering this question, the project is articulated around three levels of analysis (domestic, regional and global) and outlines future scenarios for 2025 and 2050. Its final objective is to provide EU Member States policy makers with valuable insights.

**MENARA** is carried out by a consortium of leading research institutions in the field of international relations, identity and religion politics, history, political sociology, demography, energy, economy, military and environmental studies.



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