Fourth Arab Governance Report

Equality, Inclusion and Empowerment for More Effective Conflict Prevention

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Economic and Social Commission for Western Asia

Fourth Arab Governance Report

Equality, Inclusion and Empowerment for More Effective Conflict Prevention

United Nations
Beirut

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“Our world of today is more than ever before one world. The weakness of one is the weakness of all, and the strength of one – not the military strength, but the real strength, the economic and social strength, the happiness of people – is indirectly the strength of all.”
Dag Hammarskjöld, 1956. The United Nations – Its Ideology and Activities. Address before the Indian Council of World Affairs, February 3.

“Human security, good governance, equitable development, and respect for human rights are interdependent and mutually reinforcing. If war is the worst enemy of development, healthy and balanced development is the best form of conflict prevention.”
Kofi Annan, 1999. Peace and Development – One Struggle, Two Fronts. Message to World Bank Staff:

“Deadly conflicts, the climate crisis, gender-based violence, rising hunger and persistent inequalities are undermining efforts to achieve the Goals by 2030 […] We need to reorient our economic, financial, and governance systems so that growth benefits all and supports a healthy environment.

António Guterres, 2019

Message to Sustainable Development Forum
October 24

Executive summary

It has long been known that the governance deficit in the Arab region has been a major impediment for the region and its people to realize their development potential and political aspirations. This challenge was known before the publication of the first United Nations Development Programme (UNDP) Arab Human Development Report in 2002. It was driven home in that report and has been reiterated in many reports since, including the first three ESCWA Arab Governance Reports.

So why a new Arab Governance Report? What new message could this report carry? One could argue that since the paralyzing governance deficits that the region suffers from have not been addressed, despite several reports and analyses to that effect, it bears reiterating that without addressing these chronic structural governance deficits, it will be practically impossible to achieve the 2030 Agenda for Sustainable Development and the aspirations of the peoples of the region. Equally importantly, the Arab social movements and the conflicts that have ensued come also as a reminder that courageous action must be taken on the governance front for the region to unblock the developmental impasse it finds itself in. Finally, the COVID-19 pandemic and the preceding crises underscored the inadequate level of preparation of public institutions to address old and emerging challenges and shed light on the dangerously growing gap of trust between the State and the citizens it is designed to serve.

While inadequate actions, reiteration of the need to take such actions and the growing trust gap are sufficient reasons to issue yet one more report on the consequences of poor governance structures in the Arab region this year's report adds emphasis on the need to act by expanding the notion of human security and underscoring its foundational importance to all future governance reforms in the Arab region.

This Fourth Arab Governance Report builds on the findings of previous reports, advocates urgent action on several governance fronts and argues that exclusion, systemic inequality and unattained human potential serve to fuel discontent with the State and its institutions and could eventually lead to further social unrest, political instability and serious conflict if left unattended.

The report argues that in spite of well recorded advances in such services as access to basic health and education and in spite of overall growth and improvements in general standards of living, progress in the Arab region is still woefully below its potential. Not only has the number of poor been increasing and the intractable problem of unemployment and underemployment is still inadequately addressed, rising and systemic inequality, inadequate access to justice and economic opportunities, exclusion, disregard to human rights, shrinking political space, growing repression, tightening freedoms including freedom of expression, and intolerant

interpretations of religious values are all contributing to less than adequate progress on the path to achieving the 2030 Agenda in most Arab countries. Poor accountability, corruption, insufficient transparency, capture of State resources intended to serve all citizens by the elite, and weak State institutions including the public administration have all contributed to the insufficient growth of political and institutional systems that would allow for a public-responsive polity to evolve.

The report also reiterates previous, so far unheeded, warnings that, without addressing its root causes, conflict is likely to continue, even if in an unpredictable and sometimes subdued manner. Without social justice, democracy, rule of law, good governance, respect for fundamental human rights, and inclusive and equitable sustainable development, the root causes of conflict will continue to deepen. These will manifest themselves as social movements, demonstrations on the street, political instability, violence, and eventually all-pervasive and destructive conflict. The slogans of the 2011 social movements that called for bread, social justice and dignity reflect the economic, social, political, and cultural roots of discontent that still seem to prevail in the region.

Furthermore, the report argues that conflict and violence are not only about physical violence. Much rather, it lists inequality, deprivation, exclusion, repression, and unpromising horizons for youth (and other emerging societal actors) as additional forms of violence that deprive human beings of their dignity, reduce their capacity to attain their full potential, make them lose their status of potential productive members of society, and possibly drive them into the less productive and more violent elements of that same society.

Finally, the report argues that short-term piece-meal approaches to reforms may be easier to implement but cannot achieve sustainable results in the long run. There is a pressing need for deep and far-reaching reforms at the institutional, socioeconomic and political levels. A human security approach is necessary to create an enabling environment for the achievement of human well-being. The report argues that such an environment must have equality, inclusion, sustainability and optimal use of modern technology for the common good as its foundational pillars. This Fourth Arab Governance Report identifies not only challenges and potential risks but also key priorities for effective conflict prevention.

“All human beings, irrespective of race, creed, or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.”
“All national and international policies and measures, in particular those of an economic and financial character, should be judged in this light and accepted only in so far as they may be held to promote and not to hinder the achievement of this fundamental objective.”

Declaration of Philadelphia
(Article II a.c.)
1944

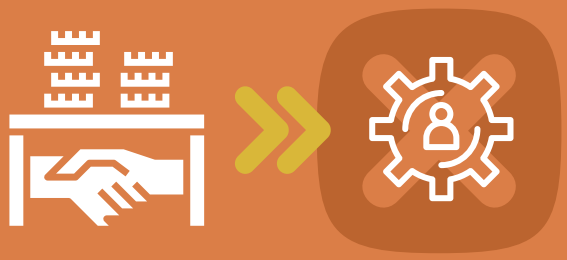
Key findings

Poor governance and **lack of inclusive institutions** remain a challenge in the region. Structural governance deficiencies have been **major obstacles** to achieving the 2030 Agenda and its sustainable and inclusive development goals in the Arab region.

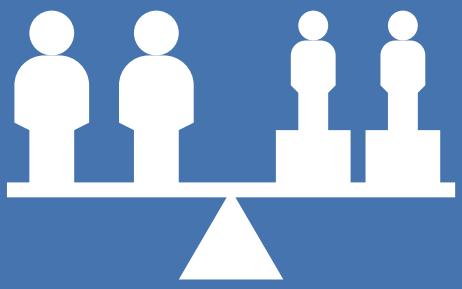
There is a **rising crisis** of State institutions in terms of structure, funding and capacities to respond to the needs of citizens and their expectations, which has led to an **erosion of trust** in these institutions. Combined with a sense of **lack of justice** (economic and social), citizens perceive their institutions as captured by elites disconnected from the needs of their constituents and exclusively benefitting the powerful at the expense of ordinary citizens.

Ineffective development policies have resulted in social unrest, political **instability** and, in some instances, **conflict**, the cumulative result of which is the halting and even the reversal of the development gains made in the past few decades in many countries of the Arab region.

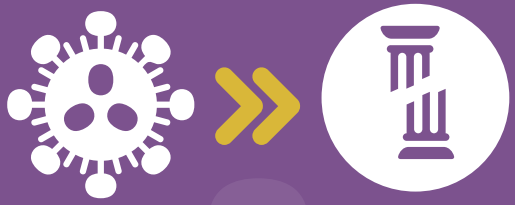
Transparency, anti-corruption efforts, **accountability**, and efficiency are lacking elements in State institutions, despite their importance in ensuring inclusive development in the countries of the region and the prosperity of their people. This is of paramount importance when it comes to **corruption**, which erodes trust in government and undermines the **social contract** and **development gains**.



Increasing **military expenditure** at the expense of social investments is a worrisome trend that is fuelling the militarization and securitization of some public policies in the region and drawing resources away from policy options that could satisfy citizens' expectations for prosperity, social justice and promising horizons for rising generations.



The **management of economic**, social and environmental policies and their institutional underpinnings has not adequately prioritized questions of **social justice**, empowerment and **equitable allocation** and redistribution of resources.



The **COVID-19** pandemic has unveiled the **structural weaknesses** at the institutional level, and its **socioeconomic** impact is exacerbating an already **negative** situation, both nationally and regionally.

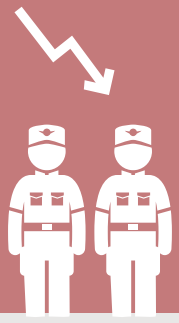

Governance reforms and strengthening accountability and effectiveness of State institutions should be at the centre of Government efforts to advance the achievement of the 2030 Agenda. **Conflict prevention** efforts must consider political and socioeconomic dimensions and must be holistic in their scope and reach. Governments are encouraged to create and sustain governance setups which foster **strong**, **sustainable** and **equitable human development**.

Key policy recommendations

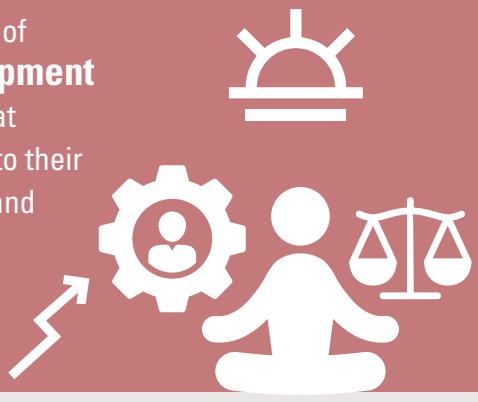
Governments should exert serious and genuine efforts to restore **trust** between **citizens** and **the State**. Institutional transparency and accountability are paramount for citizens to feel genuinely represented and their basic rights and needs effectively considered by their respective Governments. Governments are encouraged to adopt an open-Government approach to regain the trust of their citizens.

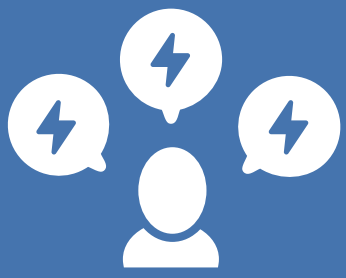
To remedy the development losses of the past decade and optimally use the next decade to achieve the 2030 Agenda, empowerment and equitable resource allocation and redistribution should be at the heart of Governments' priorities. Governments should design and implement programmes including all **social stakeholders** to **empower** even the excluded and most disadvantaged segments of society in order to halt and prevent the vicious dynamics of de-development and violent conflict.

Governments should strive to eliminate **discriminatory policies** and practices that seriously disadvantage the economic, political and social inclusion of citizens, particularly of vulnerable groups. This requires the formulation of new **human rights-based laws** that leave no one behind. Governments are encouraged to consider mainstreaming **social justice** and **pro-equality policies**, and promoting effective participation and participatory social protection, youth empowerment and good governance, inter alia through capacity-building programmes.



Governments are encouraged to reverse the trends of increasing military expenditure at the expense of **social investments** and **human development** and invest more resources in policy options that ensure **citizens well-being**, and respond to their expectations for prosperity, **social justice** and promising horizons for all. Governments are encouraged to consider policy options such as participatory budgeting.





To address these systemic transparency and accountability challenges and break unjust power dynamics of state-society relations which contribute to conflict, governments are encourage to adopt **pro-active policies**, to prevent and fight misconduct of public officials, establish mechanisms for addressing corruption in public procurement, protecting **whistleblowers**, fighting corruption through establishing empowered, well-funded independent national anti-corruption institutions.

COVID-19 recovery phase should be used as **opportunity** to revisit previous institutional setups, and socio-economic policies to address the structural deficiencies in terms of governance and weak public institutions effectiveness, unveiled by the COVID-19 pandemic. **Building back** better can no longer go with business as usual.

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Glossary of terms

2030 Agenda for Sustainable Development: A resolution adopted by the United Nations General Assembly on September 25, 2015, to "strengthen universal peace" by "eradicating poverty in all its forms and dimensions", among other development-related goals.

Arab Barometer Wave V: A public opinion survey conducted in 12 Arab countries in late 2018 and early 2019.

Gini Index: A measure of income inequality, developed by the Italian statistician Corrado Gini.

ISIL: The Islamic State of Iraq and the Levant, also known as the Islamic State of Iraq and al-Sham (ISIS). *Da'esh* is the Arabic acronym of the militant group's name.

Sustainable Development Goal: In its 2030 Agenda, the United Nations identified 17 Goals to achieve by the year 2030, in order to address such global challenges as poverty, inequality, climate change, environmental degradation, and conflict.

Zakat: A form of alms-giving considered obligatory in Islam.

Abbreviations and acronyms

DESA	Department of Economic and Social Affairs
ESCWA	Economic and Social Commission for Western Asia
GDP	gross domestic product
GII	Gender Inequality Index
GPI	Gender Parity Index
HDI	Human Development Index
IDMC	Internal Displacement Monitoring Centre
IDP	internally displaced person
ILO	International Labour Organization
ISIL	Islamic State of Iraq and the Levant
MENA	Middle East and North Africa
OPEC	Organization of the Petrol Exporting Countries
SDG	Sustainable Development Goal
SIPRI	Stockholm International Peace Research Institute
UCDP	Uppsala Conflict Data Program
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNRWA	United Nations Relief and Works Agency for Palestinian Refugees
WEF	World Economic Forum

Introduction

“There can be no sustainable development without peace and no peace without sustainable development.

Introduction

Since the release of Secretary-General Boutros Boutros-Ghali's seminal 1992 report, An Agenda for Peace, increased attention has been devoted to exploring new tools, developing early warning mechanisms and devoting increasing resources with a view to conflict prevention. However, "the full potentialities of the United Nations", as evoked by Secretary-General Dag Hammarskjöld, are yet to be exploited when it comes to conflict prevention. Through the 2030 Agenda, United Nations member States have committed themselves to building peaceful, just and inclusive societies free from fear and violence, to eradicate poverty and hunger, to combat inequalities, and to protect and respect human rights. With regard to peace, the Agenda states that "there can be no sustainable development without peace and no peace without sustainable development". In particular, Sustainable Development Goal (SDG) 16 focuses on certain key governance elements to promote peaceful and inclusive societies, such as, inter alia, strengthening the rule of law at the national and international levels and ensuring equal access to justice for all; substantially reducing corruption and bribery in all their forms; developing effective, accountable and transparent institutions at all levels; ensuring responsive, inclusive, participatory, and representative decision-making at all levels; guaranteeing public access to information and protection of fundamental freedoms, in accordance with national legislation and international agreements; bolstering relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries; preventing violence and combating terrorism and crime; and promoting and enforcing non-discriminatory laws and policies for sustainable development.

Governance deficits in the Arab region have been identified by numerous publications and reports, including the first United Nations Development Programme (UNDP) Arab Human Development Report in 2002. Similarly, previous volumes of the Arab Governance Report reiterated the paramount importance of governance in the achievement of the SDGs and identified the diverse structural challenges faced by Arab public institutions and governance paradigms. It discussed, inter alia, the concept and principles of good governance, proposed institutional transformations in conflict-affected Arab countries and identified the priority sets of institutions to be reformed, including roadmaps for post-conflict Libya and Yemen (third Arab Governance Report). This fourth Arab Governance Report follows the same thematic thread in exploring issues of governance, institutions and State-building, given the current situation in the Arab region. However, this time, it also focuses on conflict prevention, consistent with the activities outlined in the General Assembly and Security Council resolutions on sustaining peace; that is, activities aimed at preventing the outbreak, escalation, continuation, and recurrence of conflict. Most importantly, it explores ways toward more effective conflict prevention policies, primarily through the overarching theme of building

accountable and inclusive polities by re-establishing trust between State and society through better governance, increased institutional accountability and effectiveness, equality, inclusion and empowerment of the people.

Economic growth and poverty alleviation campaigns have been attempted for decades. While they are crucial, they have not prevented the outbreak of conflicts. Does preventing violence require departing from the economic and social policies traditionally advocated for more effective and inclusive solutions, through adapted macroeconomic policies, institutional reforms in core State functions, and more just redistributive policies? What role can civil society organizations play in conflict prevention? What type of social contract and society-State relations are needed to prevent conflict in the Arab region? How can the renewal of the social contract based on an equitable and inclusive developmental agenda in order to establish accountable polities and inclusive and effective institutions, guaranteeing equality, inclusion, social justice, and genuine citizen empowerment for more peaceful societies, help prevent more violent conflicts in the future?

Increasingly, resources are unevenly distributed in society. Income distribution is heavily skewed toward the top tiers of societies, and public services exist in certain districts, and for some groups, only, while large swaths of the population, especially in the peripheries, are left marginalized. Worse, the power to decide the distribution of public resources is monopolized to the benefit of a few and the detriment of many. This situation is further aggravated for the most vulnerable groups, even more so in times of crisis, such as the COVID-19 pandemic, and conflict. Those deprived of social capital and symbolic power are frequently the first victims of difficult times because the various manifestations of violence tend to be heavily correlated, due to the way they are tied together in the social structure.

Conflict and violence have always been integral parts of human history. Yet, for too long, a narrow concept of violence has dominated the political discourse. According to this, violence is exclusively physical and takes the form of deprivation of the health and physical integrity of a person or group of persons, with an intended and premeditated deprivation of life being the extreme form. Such violence may be carried out at the hands of a person, a group of persons, or a moral person such as a State. Yet, to suppose that this is the only form of violence, with peace seen as its mere opposite or negation, would be to miss the chronic presence of other, no less dangerous and nefarious, forms of violence in everyday life, and highly unacceptable social orders would still be compatible with an environment said to be free of conflict. As such, an extended concept of violence is indispensable.[1]

While physical violence impacts human beings somatically, up to and including killing, it is of paramount importance to consider symbolic, or subliminal, violence as well, which occurs at the socioeconomic and political levels. The latter form of violence is responsible for reducing human capacities to attain the full potential of self-development and human security. It occurs when access to basic services, such as affordable high-quality health care, education and justice, are exclusively limited to a few and are tantamount to privileges rather than rights. This is more so when economic opportunities are unevenly distributed, keeping large segments of a population at the fringe of the

possibilities for human development, many of which become monopolized by a selected few.

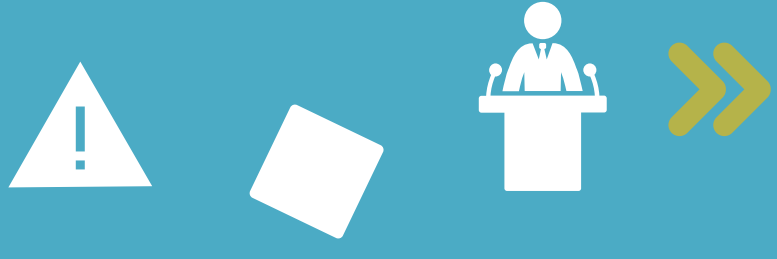
We live in an era of increasing inequality. Widening socioeconomic disparities, governance deficits, rapid and contested polities, weak institutions, uncertain political transitions, competition over resources, legacies of violence, and other social tensions have been frequent causes of conflict. These complex and often interlinked phenomena demand that peacebuilding and conflict prevention be tackled from a multidimensional perspective. Keeping in mind the overdetermined nature of conflicts, the root causes can be grouped into three large categories: the endogenous, or national, causes (including poor governance, inequality, exclusion, and others); the exogenous, or those related to international geopolitics and the inherent challenges facing the international governance system; and, last but not least, the natural causes (natural disasters, climate change, pandemics, desertification, and others). With the intention of addressing the other two root causes in forthcoming reports, the present report focuses exclusively on the endogenous dimensions of the problem.

This report explores trends and risks facing the countries of the Arab region and discusses inequality, exclusion and disempowerment as drivers of conflict. As repeatedly demonstrated by recent events and discussed in a large body of literature and United Nations reports, the humanitarian and socioeconomic costs are too great not to take urgent action and, most importantly, effective preventive measures. Preventing entry into a cycle of violent conflict holds the potential to avoid the immense losses in human and economic capital that accompany conflict. It is true that conflicts are inherent in human history. Any change may disrupt the status quo and create perceived winners and losers – a situation that can potentially lead to violent conflict. Yet, preventing, managing and eventually resolving conflict peacefully is a core challenge of every society. After all, democracy is not an end per se but rather a means to an end; it is principally a way to manage and resolve social conflict peacefully. The violence of the past decade in the Arab region demonstrates the urgent need to invest more than ever before in conflict prevention.

The focus of this publication is the overarching theme of governance based on inclusive and accountable polities guaranteeing equality, inclusion and social justice to prevent violent conflict. Short-term and fragmented approaches to reforms can offer quick yet temporary fixes but cannot achieve sustainable political stability and social peace. It is imperious for the Arab region to embark without delay on deep and far-reaching reforms at the institutional, socioeconomic and political levels. A human security approach is necessary to create an enabling environment for the achievement of human well-being. This environment must be based on the principles of equality, inclusion and genuine empowerment of citizens for the collective good of society at large. The report also identifies several challenges, potential risks and key priorities for effective conflict prevention.

To achieve more effective prevention, new thinking is required; thinking that can design mechanisms to allow the various tools and instruments of prevention, diplomacy, mediation, security, and, most of all, inclusive sustainable development, to work with much greater synergy, and at an earlier stage, to sustainably prevent violent conflict.

1 Sources of risks of political instability in the Arab region



1. Sources of risks of political instability in the Arab region

The Arab region will face severe challenges in the coming decade. Countries of the region are faced with several challenges which may lead to further political instability. These challenges are the result of existing structural problems and emerging issues. Absence of governance reforms, weak institutional accountability and effectiveness, in addition to almost absent principles of the rule of law, youth unemployment, violent extremism, and organized crime, are increasingly negatively affecting development trends and outcomes. These challenges jettison the immense potentialities of the region. Yet, the current protracted multidimensional crisis can be used as an opportunity and a catalyst for effective and transformative change. The several challenges faced by the countries of the Arab region could serve as a basis for greater cooperation, which, in turn, could generate and re-establish trust, both nationally and regionally. One of the region's strengths is its production and export of oil, which provides not only an important source of income for the oil-producers in the region, but also maintains its geopolitical significance. However, the climate crisis, emerging competitive sources of renewable energy and innovative technologies increase the urgency of gradually transitioning economically away from this single resource.

Arab States will face severe challenges in the coming decade, resulting in a high degree of risk when it comes to political and economic instability. These risks are more immediate than they may seem, for they are all linked directly to existing structural problems, which form the baseline risk. To indefinitely postpone governance reforms and avoid strengthening institutional accountability and effectiveness and the principles of the rule of law would negatively affect development trajectories and jettison the immense potentialities of the region. Political and socioeconomic reforms can bear momentum for positive change. Climate change, shared security challenges and economic integration at the regional level could serve as bases for strengthened cooperation, which, in turn, could generate and reestablish trust, both nationally and regionally. Risk awareness is of paramount importance for conflict prevention.

Thinking about the future can be done in many different ways. Scenarios lay out various possible pathways, horizon-scanning detects developments hitherto unnoticed, and feasibility studies show the way toward a desirable future. Risk assessment, in turn, is its negative counterpart: it zeroes in on those elements which could do harm in the future, and how likely they are to occur. Assessing risks is always a combination of two steps: firstly, the potential danger is identified; and secondly, its impact and probability calculated. In a possible third step, measures can be developed to counter these dangers.

Before this can be done, any type of foresight exercise must establish the future in which this risk will be situated. This is an imperfect exercise by necessity: uncertainty is the key feature of the future and an intrinsic part of human history. Yet, because tomorrow is an extension of today, this uncertainty can be reduced to at least some extent. Risks existing today are likely to reappear in the future-termed baseline risk. After all, there are developments that can be predicted, with some certainty, to shape the future and increase or decrease risk. These developments can be called trends, which extrapolate from observable dynamics occurring today. That said, the future is made up of more than just trends, which are themselves blind to sudden and unexpected events: trends are not the future, but they shape the future. There is no determinism in human history.

A number of medium- to long-term trends are likely to influence the evolution of the Arab region's vulnerability to conflict and political instability. It is these trends that will effectively create the larger context for risk assessment and will be analysed here.

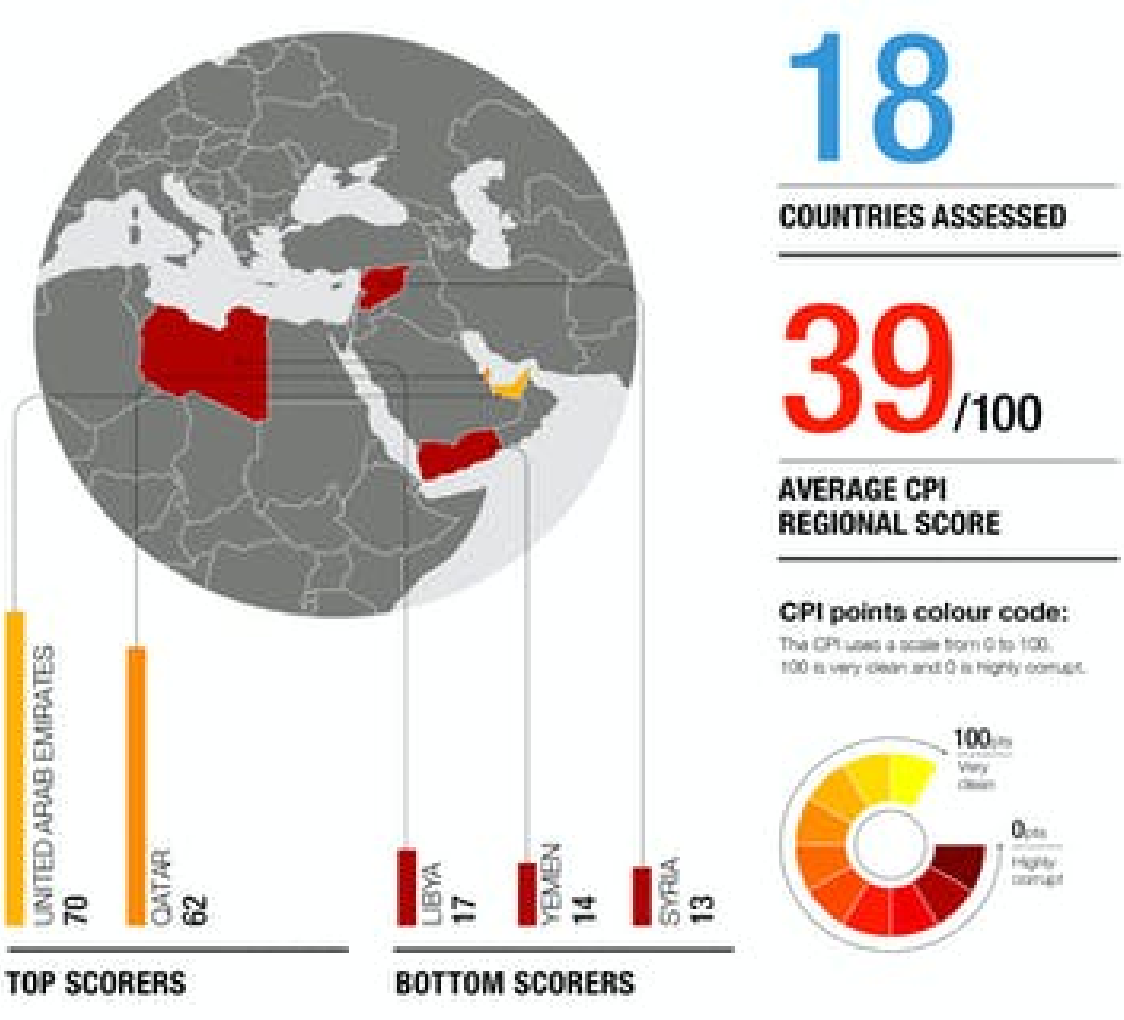
A. Economic performance and inequality

There is a series of economic indicators that correlates with instability and risk. Somewhat surprisingly, these indicators are less absolute and more relative in nature. For instance, poverty correlates less with instability than inequality; general unemployment correlates with it less than youth unemployment; and the gross domestic product (GDP) growth correlates less with instability than inflation and corruption. That said, instability is always the result of several of these developments taken together: none of these indicators alone causes instability.[2]

This means that States can effectively reduce poverty, enjoy robust levels of GDP growth and increases in salaries, yet still face instability — a phenomenon the World Bank has called the Middle East and North Africa (MENA) puzzle, with all States faring well in several economic regards in 2010, but still going through periods of instability in and after 2011. The reason for this is psychological and sociological: where citizens do not perceive the subjective well-being to increase, macroeconomic performance plays no role in their discontent.[3] The region remains highly unequal in economic terms, with the top 10 per cent of society owning 64 per cent of wealth (in comparison, they own 37 per cent in Western Europe, and 47 per cent in the United States).[4] States in the region have mostly recovered from the post-2011 economic downturn, yet neither youth unemployment, corruption, inflation, nor indeed inequality have

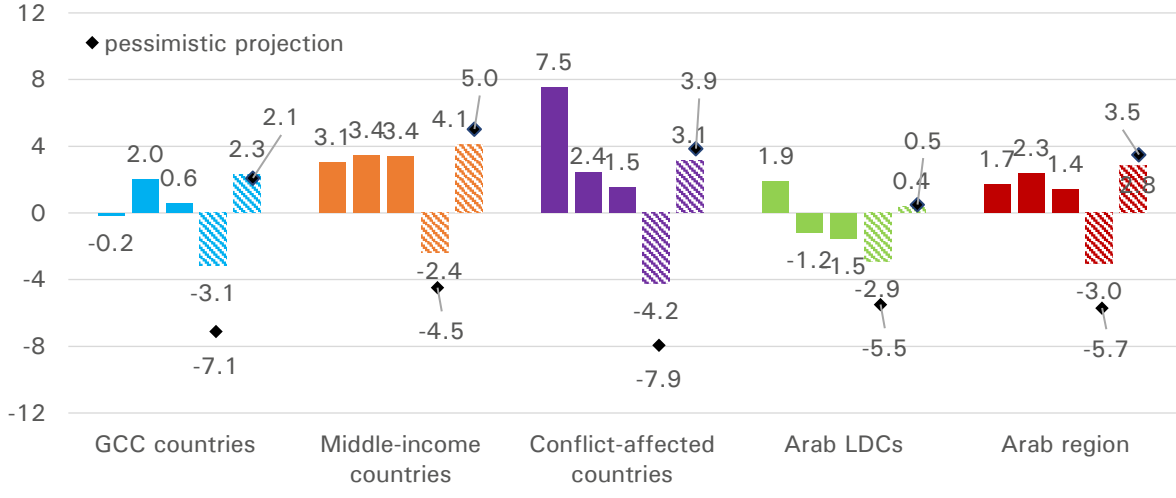
improved. The 2018 Corruption Perception Index paints a bleak picture of the situation in the Arab region. With an average score of 39, the Arab region ranks below the Americas and the Asia Pacific regions and does only slightly better than sub-Saharan Africa and some countries in Eastern Europe.[5] The Arab region suffers from one of the highest youth unemployment rates globally despite improvements in educational achievement. The youth unemployment rate in the Arab region is estimated at 26.1 per cent, compared with a global youth unemployment rate of 12.8 per cent. Moreover, inequality of opportunity varies by gender. The unemployment rate among young women is estimated at 38.2 per cent, compared with a rate of 22.5 per cent for young men. A closer look at this gap at the country level confirms that the female youth unemployment rate is significantly higher than that of young males.[6]

Figure 1. Average CPI regional score



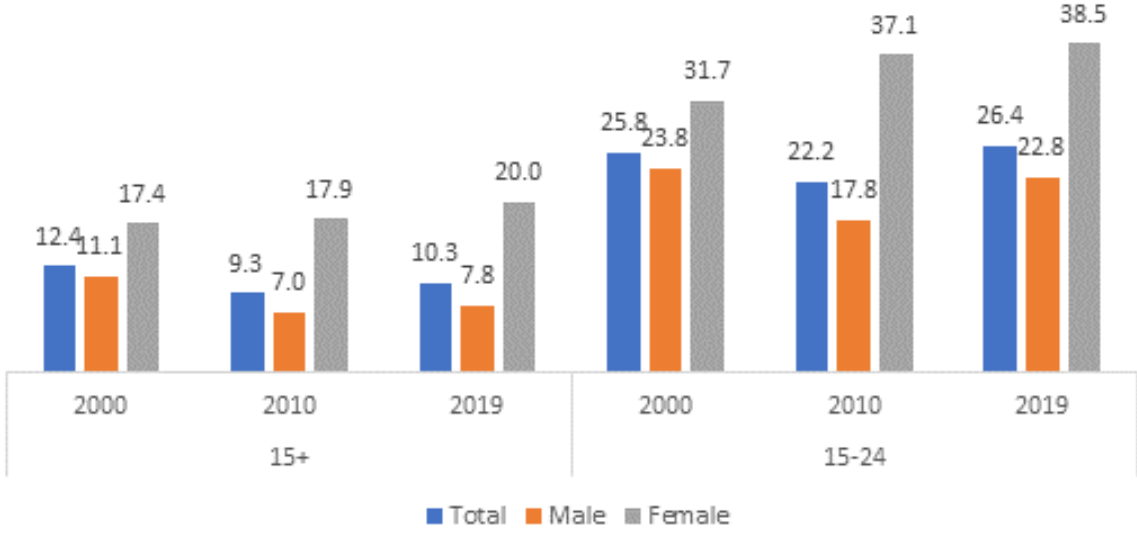
Source: Transparency International, 2019.

Figure 2. Consumer inflation rate (percentage per annum)



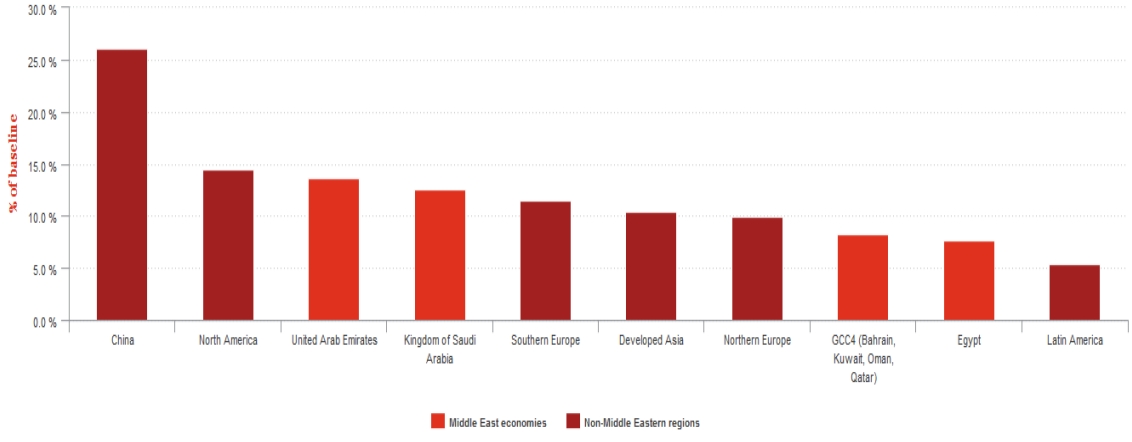
Source: ESCWA, 2020a. Survey of Economic and Social Developments in the Arab Region, 2019-2020. E/ESCWA/CL3.SEP/2020/1.

Figure 3. Youth unemployment in the Arab region



Source: ILO, 2019. Modelled estimates (November).

Figure 4. Contribution of artificial intelligence to GDP, by region, 2030



What is the risk?

Dissatisfaction with a Government's economic performance plays an important role in the onset of demonstrations. That said, reducing youth unemployment, inequality and inflation are all tasks that require long-term commitment, sound macroeconomic policies and necessary reforms. The risk for decision makers is creating short-term mechanisms to alleviate the pressures on the population (for instance, by creating jobs through large infrastructure projects and subsidies to fuel and food staples), thereby postponing reform and sustainable improvements.

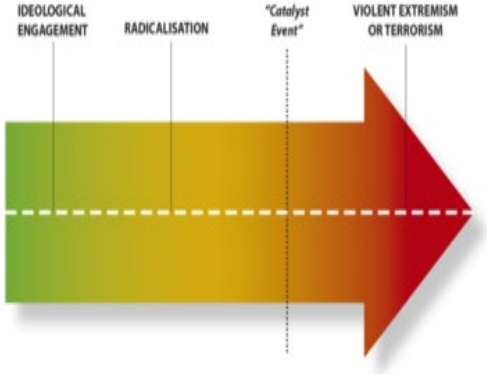
However, economic challenges can serve — as they have in the past — to generate the momentum necessary to propel the region into the next industrial revolution. At the moment, only the Gulf States, and to a lesser extent Egypt, are likely to benefit from artificial intelligence and other technological innovations. Yet, the potential exists for other States, too.[7] Perhaps more importantly, economic performance should be seen less as a numerical factor and more as one that features in a positive sense in national identity and well-being among the region's citizens at large.

B. Radicalization and violent extremism

Unfortunately, the region remains the world's least peaceful despite recent advancements against violent groups and a drop in terrorist incidents.[8] Both radicalization and violent extremism have risen dangerously since 2002 and, for political and geopolitical reasons, have increased in scope and reach. While the phenomenon grew with the invasion of Iraq and has particularly afflicted countries that experienced profound changes in 2011, it is also a broader phenomenon that has hit countries such as Saudi Arabia or Lebanon, neither of which had experienced disruptive political changes over the past 15 years.

The recruitment success of the so-called Islamic State of Iraq and the Levant (ISIL) in the region is only one indication that the radical potential is real: aside from Syrians and Iraqis, who made up about half of the organization, ISIL also managed to attract more than 12,000 citizens from other Arab countries (7,000 from the Middle East and 5,000 from the Maghreb). The top countries of origin were Saudi Arabia (3,250), Jordan and Tunisia (both 3,000), but substantial numbers also came from Morocco (1,660), Libya and Egypt (both 600).[9] This means that, despite the defeat of ISIL, the recruitment pool has not dried up; instead, new terrorist organizations have been formed. The uptick in terrorist activity in Egypt, for instance, may be understood in the context of the defeat of ISIL in Iraq and the Syrian Arab Republic.[10] Both radicalization and extremism are expected to be features of at least the medium-term future.

A distinction must be made here between the two terms: radicalization is by definition not (yet) violent, but rather the process of adopting views that differ from those of the majority. Only once the individual has adopted the conviction that violence is a legitimate tool to enforce these views, we speak of extremism.[11]



In political and security terms, violent extremists are therefore a greater concern, but radical individuals have the potential to become extremists. Similarly, the turn to terrorism is a multi-stage process.

Repression, political disenfranchisement, perceived unfairness, unresponsive and unaccountable political systems, and, of course, conflict, all feature in the process whereby individuals turn to violence as a political tool. Because the phenomenon has economic, political and psychological elements, a security solution alone is unlikely to address it in a sustainably effective manner.

What is the risk?

Radicalization bears the risk of violent extremism; yet, few States in the region tackle the phenomenon at this stage in the process. Where no prevention mechanisms exist between the stages of radicalization and extremism, the risk of the latter manifesting itself is much higher. Violent extremism or terrorism, in turn, come with a whole range of risks, including economic downturns, political instability, and high costs in the security and health-care sectors, not to mention psychological and sociological impacts.

In total, the economic impact of violence in the region amounted to $1.79 trillion in the year 2018 alone. Since 2008, the economic impact of terrorism has increased by 74 per cent.[12]

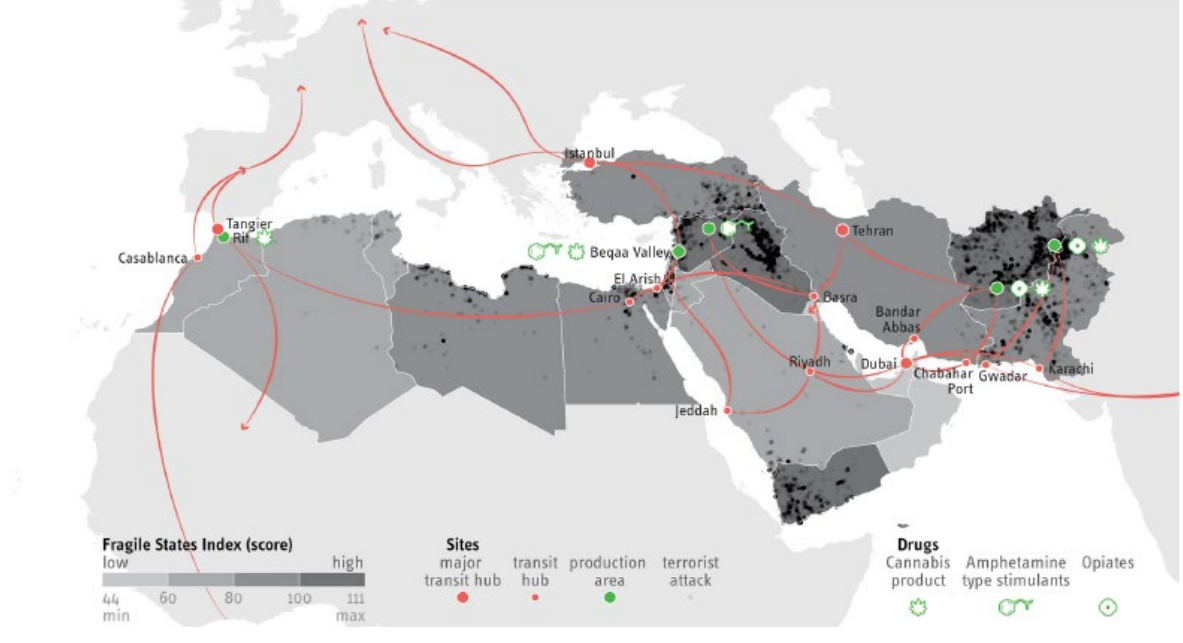
Perhaps worst of all, terrorism has the effect of delaying important reform projects, hence creating a vicious circle from which it is difficult to escape.

C. Organized crime

Similar to terrorist networks, organized crime organizations operating across the region have profited from the political turmoil of recent years, though they existed well before it. The region is, for instance, an important production and transit point for various types of drugs, with the cannabis route going north through the Maghreb and the heroin route running from east to west. But the region increasingly also consumes drugs, particularly pills such as Captagon. In 2015, more than 62 per cent of admissions to Saudi rehabilitation clinics were linked to the abuse of such amphetamine-like stimulants.[13]

Not only drug traffickers exploit the region's porous borders and poor cross-border cooperation. As will be seen later in this report, weapons and ammunition are being smuggled in vast quantities throughout the region. People-smuggling networks — whether from sub-Saharan Africa to Europe, or from South-East Asia to the Gulf — also operate in the region.

Trafficking through fragile terrain



Sources: UNODC; Fund for Peace; Global Terrorism Database; Robins, P., 2015. *Middle East Drugs Bazaar: Production, Prevention and Consumption*. Hurst & Co. (January).

What is the risk?

Illicit networks pose an implicit challenge to any State for several reasons. While themselves a symptom of poor State control and law enforcement, they also erode whatever structures do exist due to an increase in corruption, an expansion of ungoverned spaces and the way illicit economies bypass the State's resources. Perhaps most worryingly, illicit networks can — and have — colluded with terrorist networks, providing them with an income easily turned into salaries or equipment.

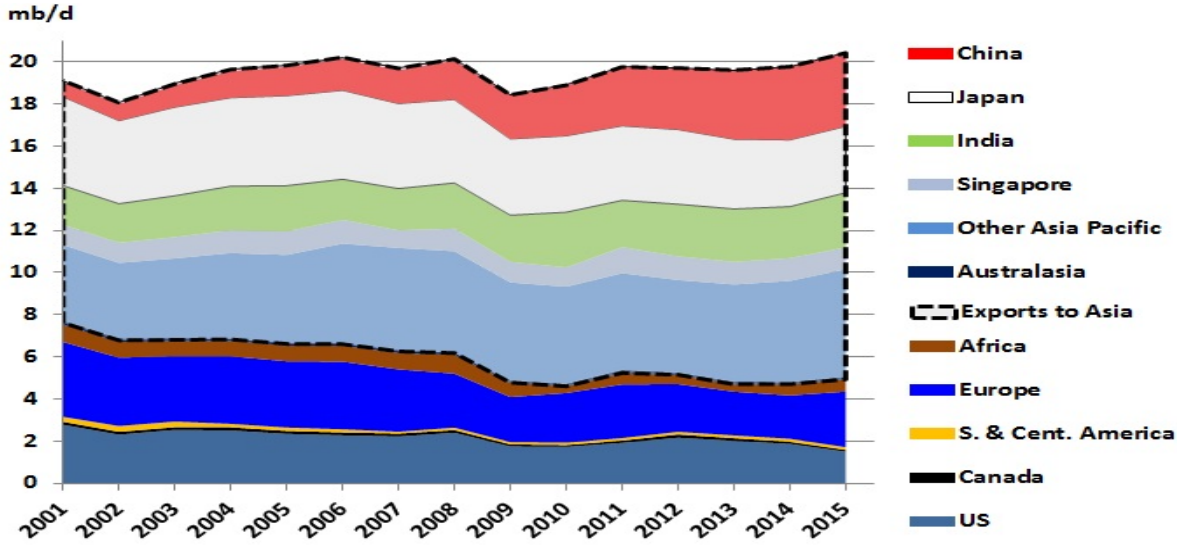
D. Geoeconomic changes

One of the region's key strengths is its production and export of oil, which provides not only its most important source of income, but also its geopolitical significance.

The importance of this resource, however, is likely to undergo some changes in the future. The demand for oil is projected to increase over the next decade due to increased industrialization, especially in South-East Asia.

At the same time, however, demand from Europe is expected to drop at more or less the same rate as China's and India's demand is projected to grow.[14] This is because Europe will decline in population size, is unlikely to experience strong economic growth and is already projected to decarbonize its energy needs. In addition, the Arab region itself is likely to consume more oil as its population continues to grow, leaving less of the resource available for export. Finally, new gas pipelines to be built through Russia and Turkey are likely to put a dent in oil exports from the Arab region to Europe.

Figure 5. Middle East exports, by country/region of destination



Source: BP statistical reviews, 2002-2016.

Table 1. Long-term oil demand in the reference case

							Mb/d
	2016	2020	2025	2030	2035	2040	Growth 2016-2040
OECD America	24.7	25.2	24.2	23.0	21.6	20.2	-4.4
OECD Europe	14.0	14.3	13.6	12.9	12.2	11.5	-2.6
OECD Asia Oceania	8.1	8.0	7.6	7.1	6.7	6.2	-1.9
OECD	46.8	47.5	45.5	43.0	40.5	37.9	-8.9
Latin America	5.7	6.0	6.4	6.8	7.0	7.3	1.6
Middle East and Africa	3.8	4.1	4.6	5.2	5.8	6.4	2.6
India	4.4	5.1	6.4	7.7	9.1	10.3	5.9
China	11.8	13.2	14.5	15.7	16.8	17.8	6.0
Other Asia	8.5	9.4	10.3	11.3	12.2	12.8	4.4
OPEC	9.1	9.8	10.7	11.5	12.0	12.4	3.3
Developing countries	43.2	47.5	52.8	58.2	63.0	67.0	23.8
Russia	3.4	3.6	3.7	3.8	3.8	3.7	0.3
Other Eurasia	1.9	2.1	2.3	2.5	2.5	2.5	0.7
Eurasia	5.3	5.7	6.0	6.2	6.3	6.2	0.9
World	95.4	100.7	104.3	107.4	109.7	111.1	15.8

Meanwhile, the economic growth of China is likely to bolster the region's importance. Already, China has signaled that the Middle East is a significant element of its Belt and Road Initiative and has pledged infrastructure investments and loans. While Beijing does not appear interested in developing a military footprint in the region, it is likely to outmatch Europe's energy imports by 2040. This means that the region's vulnerable choke points (the Strait of Hormuz, the Suez Canal and Bab el-Mandab) are likely to maintain their geostrategic importance.

What is the risk?

Although the oil-producing States in the region are unlikely to run out of oil in the coming

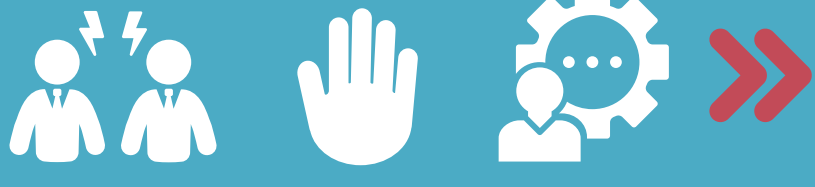
decade, a gradual economic transition away from the resource is imperative. Firstly, energy transition in Europe could occur faster than is currently planned, leaving the Arab States exposed to export dependency. Secondly, a regular transition will require changes in education, investment and mindset, which will take several decades to achieve. If these changes do not occur, the oil-producing States will be heading for a troubling future, in which competing groups fight over access to an ever-shrinking resource.

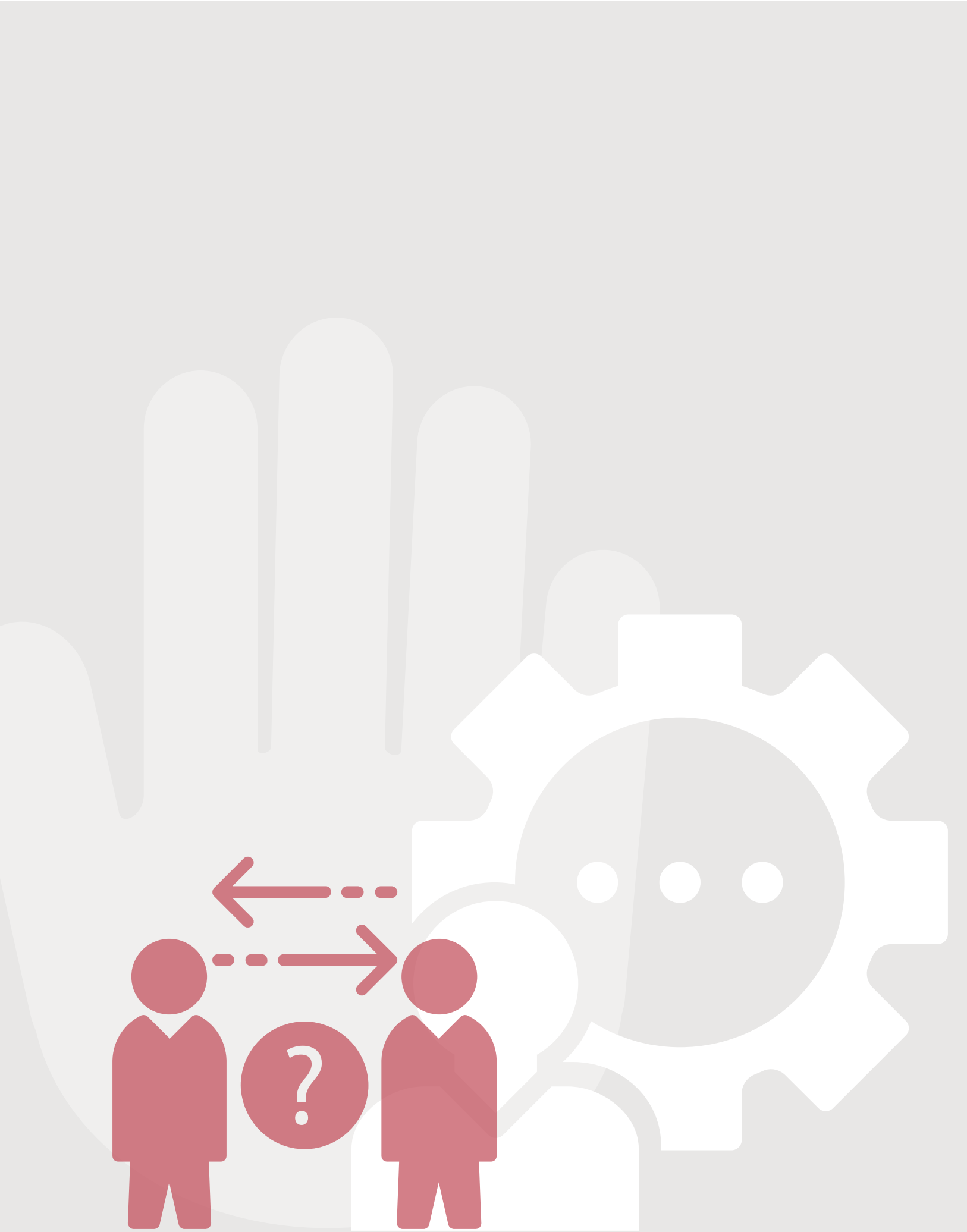
E. Key messages

Economic risks	
1	In the Arab region, risks of political instability stem from some counterintuitive economic relationships. Inequality correlates with instability more than poverty, youth unemployment more than overall unemployment and inflation and corruption more than GDP growth. These findings on correlation/ relationships between socioeconomic factors and instability offer guidance to policymakers.
2	Countries have a lower risk of instability if they succeed in reducing inequality, even if they are unable to eradicate poverty. They can lower risks if they create sustainable decent jobs for the youth, even if the overall unemployment is not at the desired level. Risks are also lower in societies where inflation is controlled and corruption is curbed even without a reasonable GDP growth rate.
3	Putting young people to work in major infrastructure employment schemes postpones the risk of instability but does not alleviate it. Creating decent and sustainable jobs for the youth in the Arab region is a long-term undertaking that is closely related to major economic structural reforms. While it may be costly, tackling it is necessary to promote sustainable development and reduce risks of political instability.
4	The current economic situation is not just a crisis. It is also an opportunity to undertake necessary structural economic reforms, particularly those that allow Arab economies to benefit from the imminent industrial and digital revolution. However, only few countries in the region are technologically poised to take advantage of this opportunity.
5	Global pressure to deal with the climate crisis, emerging competitive sources of renewable energy and innovative technologies are making demand for, and the price of, oil less predictable. This presents a risk for Arab oil-exporting countries which needs to be addressed soonest even if its possible manifestation may not be immediate.

Risks of radicalization, violent extremism and organized crime	
6	Violent extremism continues to constitute a real risk for political instability in many countries in the region, particularly when such violence becomes widespread, organized and with a spillover effect across borders.
7	Ideological engagement and radicalization are precursors to violent extremism. If caught early and addressed properly, the risk of turning to violent extremism is significantly reduced.
8	Repression, political disenfranchisement, perceived unfairness, unresponsive and unaccountable political systems, and, of course, conflict, all feature in the process that turns individuals towards violence as a political tool.
9	Organized crime networks pose an obvious risk that grows in proportion to their relative strength and influence vis-à-vis that of the State. Drug smuggling networks in the Arab region are growing in strength particularly as consumption is growing among the youth and as these networks collude with violent extremists where trade in drugs and weapons is conflated.

2 Conflict prevention: the context of the Arab region





2. Conflict prevention: the context of the Arab region

Conflict is a major obstacle impeding development, and it should take centre stage for the realization of the 2030 Agenda. Conflict and political unrest have halted or reversed the development progress made in previous decades in the Arab region. They impact all aspects of development, increasing poverty, hunger and malnutrition, limiting access to education and other basic services and increasing social discrimination and exclusion. These immediate effects have severe long-term consequences for human development. The Arab region faces chronic institutional challenges in terms of structure, financing and capabilities. This makes public institutions unable to respond to the needs and expectations of citizens. The inclusion of a specific goal in the 2030 Agenda, namely SDG 16, to promote peaceful and inclusive societies is of great significance as it marks the awareness that peace and security are critical for poverty eradication and sustainable development. Ending conflict should be at the forefront of efforts to achieve the 2030 Agenda. SDG 16 broadens the scope of peace and security and their nexus with development, moving from the traditional approach of ending wars and reducing violence towards the focus on potential drivers for conflict. This holistic approach demands an integrated response that deals not only with the outcomes and challenges of conflict or post-conflict situations but also with the causes that generated armed conflict in the first place.

Conflict is a major obstacle impeding development, and it should be placed at the centre of the realization of the 2030 Agenda. Conflict and political unrest have halted or reversed the development progress made in previous decades in the Arab region. Conflict impacts all aspects of development, including increasing poverty, hunger and malnutrition, limiting access to education and other basic services, and increasing social discrimination and exclusion. These immediate effects have severe long-term consequences for human development, generating poverty traps and increasing inequalities across populations both directly and indirectly affected by conflict.

The inclusion of SDG 16 to promote peaceful and inclusive societies in the 2030 Agenda is of great significance as it underscores the importance of peace and security for poverty eradication and sustainable development. In particular, SDG 16 broadens the scope of peace and security and their nexus with development; it moves on from the traditional approach of ending wars and reducing the incidence of violence; and it

readdresses the focus on potential drivers for conflict, including access to justice, weak and unaccountable institutions, corruption and bribery, transparency, fundamental freedoms, and participatory decision-making. This holistic approach demands an integrated response that deals not only with the outcomes and challenges of conflict or post-conflict situations but also with the causes that generated conflict in the first place. New frameworks for addressing conflict prevention and development challenges in an integrated manner are, therefore, required. A review at the institutional and operative levels of the international governance system is also necessary, with a focus on understanding the complexities, emerging challenges and particularities behind conflicts as vital features of effective peacekeeping and conflict-prevention architecture.

Under this new paradigm, improved governance and State capacities play a significant role in promoting sustained peace and advancing the holistic approach required to practice conflict prevention effectively. In the Arab region, the weakness of institutional and governance structures is often identified as one of the main obstacles to overcoming the vicious circles that result in violent conflict. Although a rich variety of experiences and knowledge regarding institution-building for conflict prevention is already available, initiatives remain fragmented and duplicated, and efforts are not complementary. The need for Governments to prioritize and allocate resources appropriately is a two-sided obstacle, both at the technical and political levels.

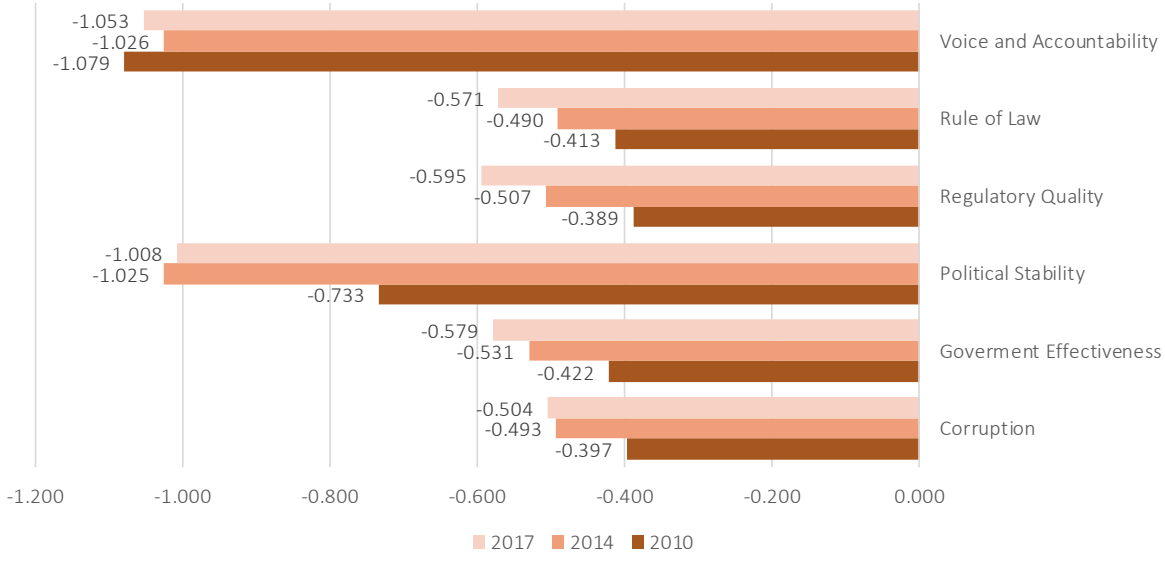
At the technical level, there is a recurrent limited capacity among governmental agencies for implementation (tools and data for designing and monitoring policies, laws and regulations). Lack of funding and technical skills resulting from insufficient human resources or frequent rotation of personnel reduce the ability to implement and monitor development models that promote conflict prevention. At the political level, many stakeholders are excluded from governance processes and decision-making, among others, leading to limited or no space for people and constituencies from diverse sectors of society to help identify and implement coherent solutions to conflict prevention.

A. Conflict prevention in the Arab region: some considerations

1. Poor governance performance and lack of inclusive institutions remain challenges in the region

There is a global shift toward devolution, secession and independence around the world, owing to the failure of political institutions to manage economic, cultural, ethnic, and religious differences. This trend materialized in the Arab region with the uprisings of late 2010 and 2011, which triggered national movements that challenged the status quo and prevailing political arrangements. Given that SDG 16 focuses on State-society relations, it is of paramount relevance to the uprisings of 2011 and subsequent developments, which brought to the forefront the inadequacy of the region's governance systems in the face of accumulated political and economic challenges. These shortfalls are reflected in the poor scores earned by the countries of the region on indicators measuring governance (figure 6).

Figure 6. Worldwide governance indicators in the Arab region, 2010, 2014 and 2017



Source: ESCWA calculations, based on data from the World Bank.
Note: The indicators are simple averages, and estimates range from approximately -2.50 (weak) to 2.50 (strong) performance.

Particularly indicative of the relationship between State and society in the Arab region is the poor performance in voice and public accountability and political stability. This shows a pattern of non-participatory ways of government leaving little room for transparency and accountability.

2. Crisis of State institutions and erosion of trust therein: a dangerous dynamic in the Arab region

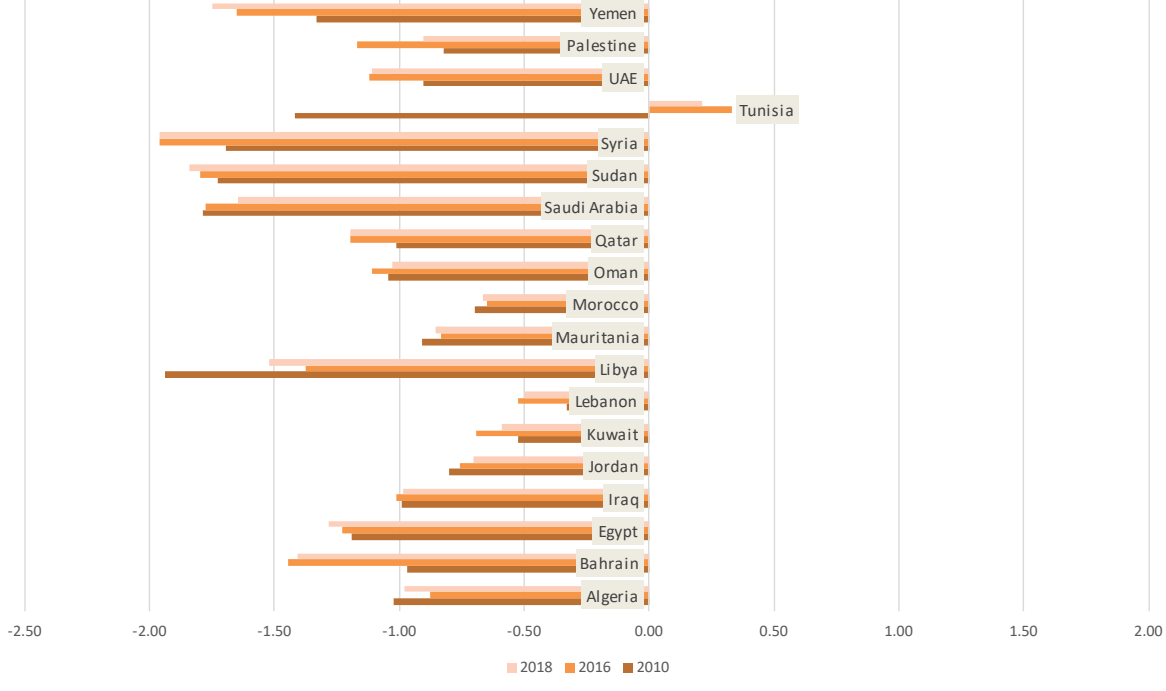
The movements initiated in 2011 hold the promise of a wave of transitions to rule-of-law-based polities throughout the region. However, in some countries, such as Iraq, Libya, the Syrian Arab Republic, and Yemen, the breakdown of the old order led to chaos and protracted armed conflict. Elsewhere, the results have been rather modest, consisting at best of a limited set of reforms and constitutional amendments. Tunisia, despite all its challenges, is perhaps the most successful example so far, where society engaged in a peaceful transition toward rule of law and accountable institution-building (figure 7). While more stable countries feature ruling structures that seem to enjoy broad popular consent, they also employ effective levers of coercion that serve as backstops for relative stability while social cleavages become deeper.

Capable and efficient administrative institutions are a crucial prerequisite for the prevention of conflict. Ideally, they should ensure the provision of essential public services, including high-quality education, health care, water, sanitation, and electricity, to the entire population, ensuring the inclusion of all groups.

That way, public administration can mitigate conflict by providing fair and equal treatment regardless of ethnic and religious group, territory of residence, sex, or age. Security agencies, the army and the police should be perceived as service providers, protecting the whole population from possible threats, both internal and external, and ensuring the peaceful resolution of conflict in an impartial manner. The impartiality of the courts and judiciary is one of the most essential prerequisites for sustainable socioeconomic development, ensuring that all individuals are treated equally before the law, in an inclusive polity based on the rule of law.

The trust of citizens in these institutions, however, is generally low in most Arab countries. The Arab Barometer Wave V, a public opinion survey conducted in 12 Arab countries in late 2018 and early 2019, offers a recent assessment of the extent to which Arab citizens trust their courts, police and armed forces. The survey shows that trust in the judiciary is particularly low, with an overwhelming majority of respondents in Iraq, Lebanon, Libya, and the State of Palestine, responding that they had "no trust at all" therein. Only in Egypt, Jordan, Kuwait, Morocco, and Yemen did the average individual state they had "quite a lot of trust" in the judiciary.

Figure 7. Worldwide governance indicators estimates of voice and accountability in the Arab region, 2018

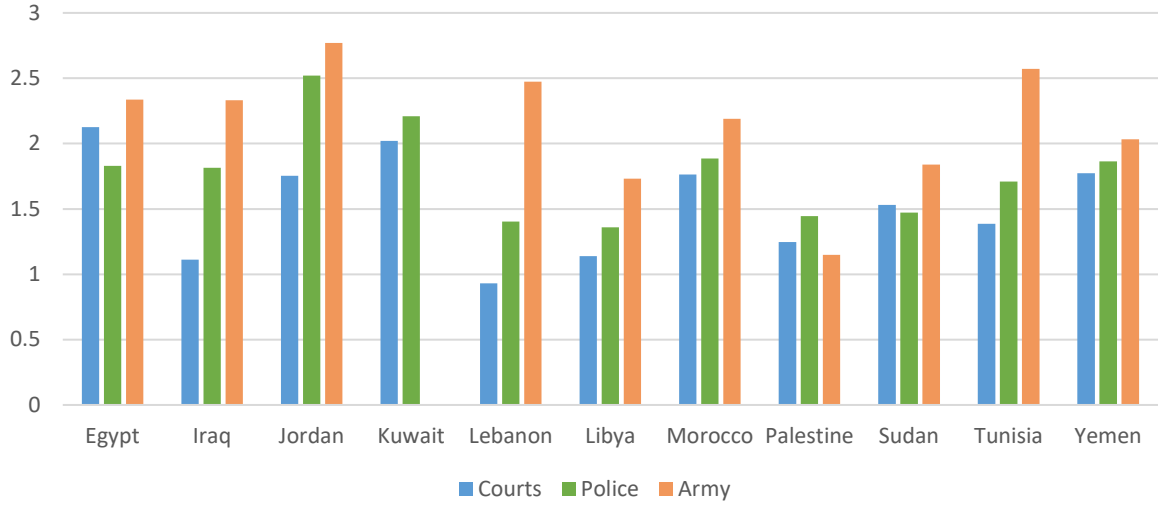


Source: ESCWA calculations, based on data from the World Bank.
Note: The indicators are simple averages, and estimates range from approximately -2.50 (weak) to 2.50 (strong) performance.

Across the region, the armed forces are the institution that receives the highest level of trust (figure 8). In Jordan, Lebanon and Tunisia, the average respondent reported either having "quite a lot" or "a great deal of trust" in the armed forces. In Iraq, too, the armed forces enjoyed a considerable degree of trust, whereas trust in other administrative and political institutions of the State was minimal. In many countries, the armed forces are organized in a strictly non-sectarian manner and are, therefore, perceived to be free of the inefficiencies that otherwise impair many other State institutions. In the State of Palestine, the armed forces received a notably low degree of trust, as their arbitrary security measures induce the perception of a bias against the demands of the population.

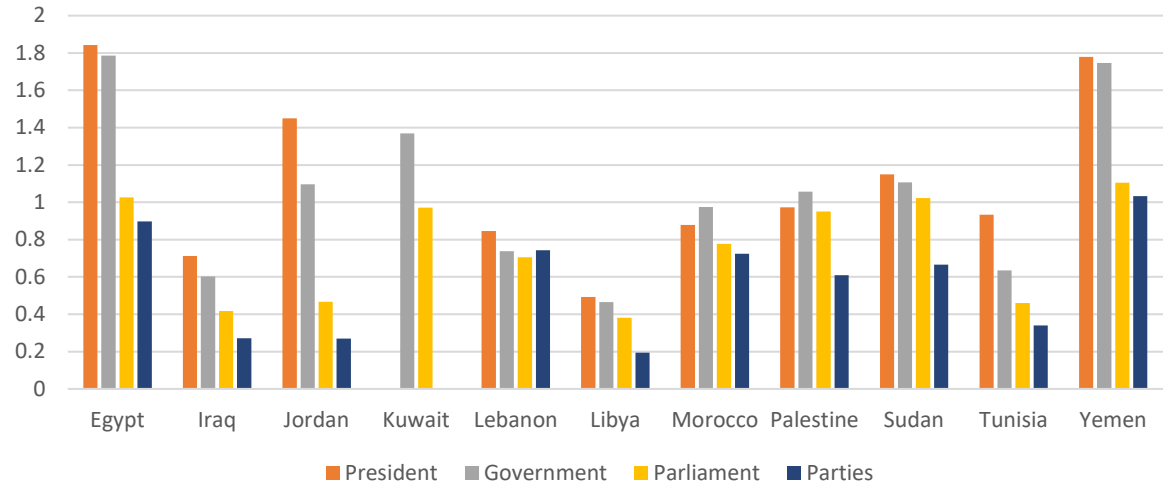
Political institutions, in their function as representing citizens' interests in the preparation and formulation of policies and legislation, generally received even lower trust than national administrations (figure 9). In Iraq, Lebanon, Libya, Morocco, and Tunisia, individuals overwhelmingly reported having "no trust at all" or "not a lot of trust" in the top four central political institutions of their States. Political parties, in particular, were perceived as weak and created with the purpose of serving the interests of their leading elites rather than those of the public. This is a result of decades of authoritarian rule, during which strong parties offering competing political platforms were prevented from gaining significance or even legal existence. Similarly, parliaments were seen by respondents as unable to effectively carry out their responsibilities in terms of monitoring the Government as well as State finances, and structuring the debate around nationwide legislation.

Figure 8. Trust in law and order institutions



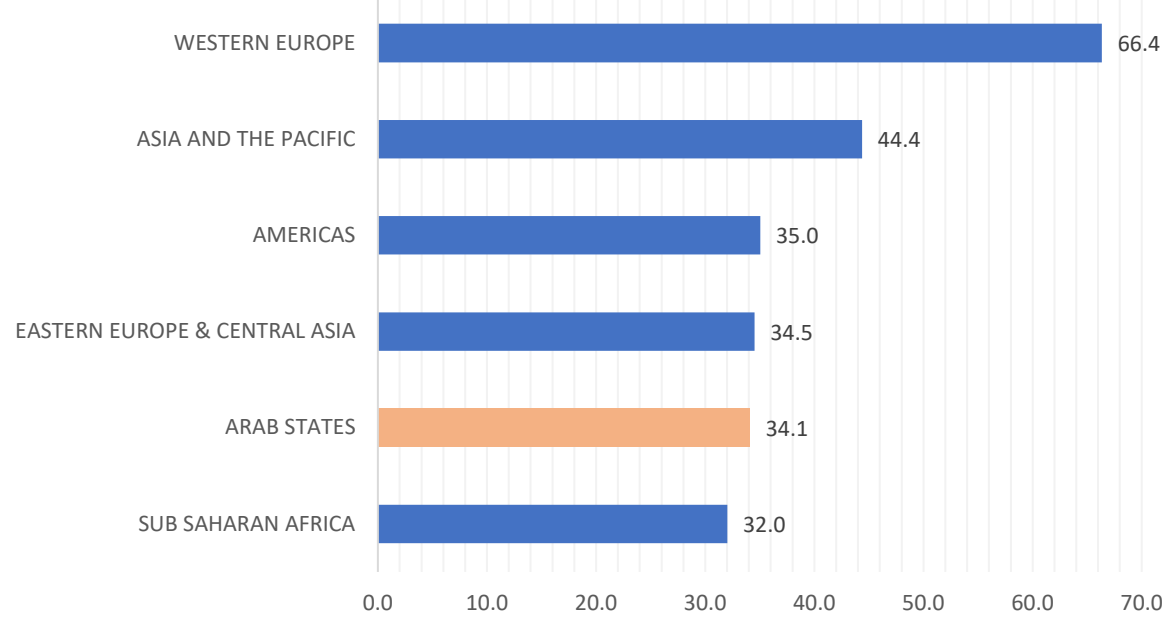
Source: Arab Barometer Wave V.

Figure 9. Trust in political institutions



Source: Arab Barometer Wave V.

Figure 10. Perceived level of corruption in the public sector, 2018



Source: Transparency International, Corruption Perception Index 2018.
Note: The index ranks countries and territories by their perceived levels of public-sector corruption according to experts and businesspeople and uses a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean.

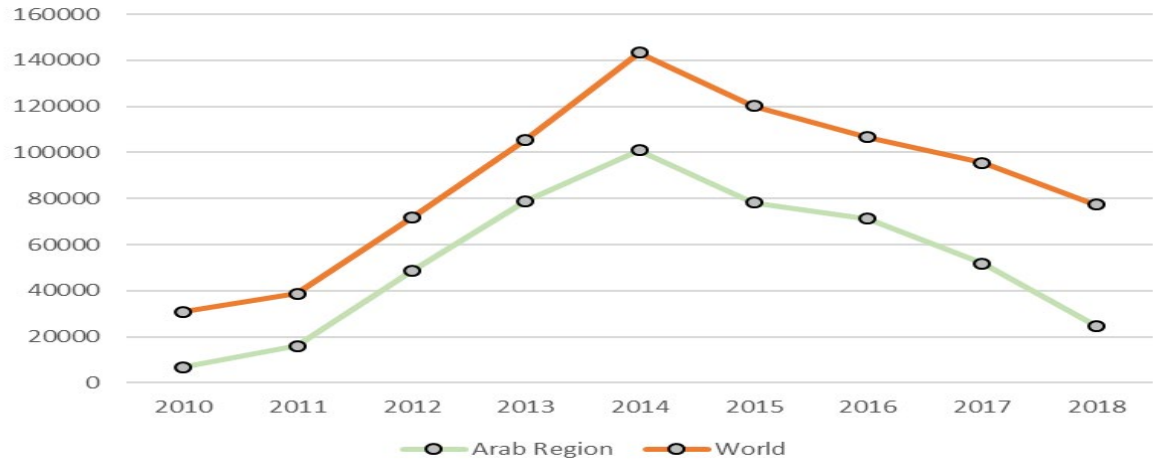
Corruption undermines basic social values, threatens the rule of law and weakens trust in political institutions. It also creates a business environment in which only the corrupt thrive. If unchecked, corruption represents a significant drain on domestic resources and poses a major barrier to efforts to advance sustainable development. There is a widespread perception within the region that levels of corruption are high (figure 10). Therefore, it is critical to advance a more coherent approach toward mainstreaming anti-corruption efforts, in both the public and private sectors, and working to strengthen and repurpose institutional reforms toward inclusive sustainable development. Addressing corruption is challenging, as there is a plethora of risks and practices at different levels. As such, anti-corruption efforts must be based on bold analyses with interventions tailored to address specific problems and contexts.

B. 2010-2018: A difficult period for SDG 16 in the Arab region, with an unacceptable toll on human development imposed by armed conflict and instability

Compounding the complexity of the region's situation, these factors, combined with geopolitical dynamics, are bound to exacerbate the high level of armed conflict and violence witnessed in the Arab region between 2010 and 2018 (figure 11). In analytical terms, causes of conflict in the region are wide and diverse. They include, inter alia, democratic deficits, poor governance, weak institutions, human rights issues, youth unemployment, inequality between territories, and foreign interventions. While consideration of root causes remains important, analysis in the region requires a focus on catalysts and drivers of conflicts. Root causes are long-term (20-25 years) phenomena while catalysts are short-term shocks that unlock aspirations, demands, frustrations, anger, and so on. Many of the root causes of the 2011 uprisings have not been solved. Therefore, similar events are most likely to be repeated in the region if these root changes remain unchanged. Understanding the catalysts may help to offer more policy options while implementing long-term reforms to effectively tackle root causes.

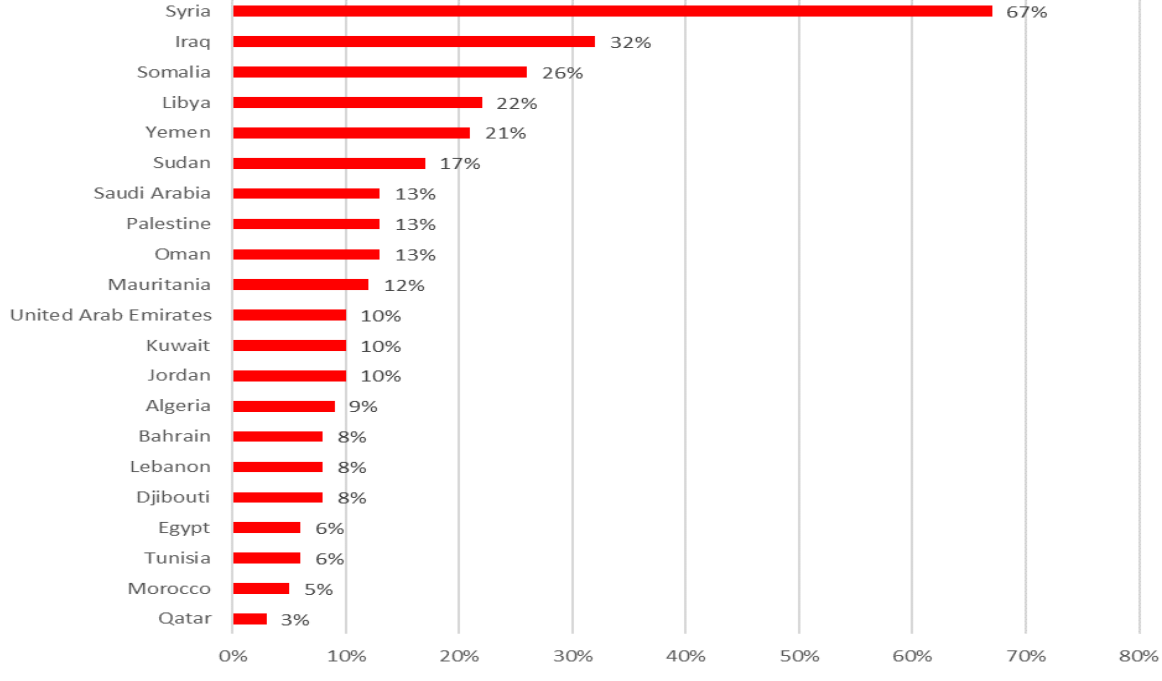
The intensification of armed conflict and violence witnessed during the last decade in the region has been felt economically at many levels. The cost of destroyed assets is perhaps the most obvious, but, devastating as they are, the direct costs of conflict are only the tip of the iceberg. Other forms of economic loss include the following: losses due to capital flight; lost economic opportunities; diversion of productive economic resources into militarization; and, most of all, destruction of human capital, which is hard won and difficult to regain. Figure 12 shows the economic cost of violence as a percentage of GDP for the countries of the Arab region. The Syrian Arab Republic, Iraq and Somalia incurred the largest economic cost of violence as a percentage of their GDP, at 67, 32 and 26 per cent, respectively.

Figure 11. Annual combat-related deaths in conflicts: Arab region versus world, 2010-2018



Source: ESCWA calculations, based on the Uppsala Conflict Data Program (UCDP) Battle-related Deaths Dataset 19.1
Note: The figures are UCDP best estimates for battle-related deaths in conflicts in the given years.

Figure 12. Economic cost of violence in the Arab Region, 2018 (*percentage of GDP*)

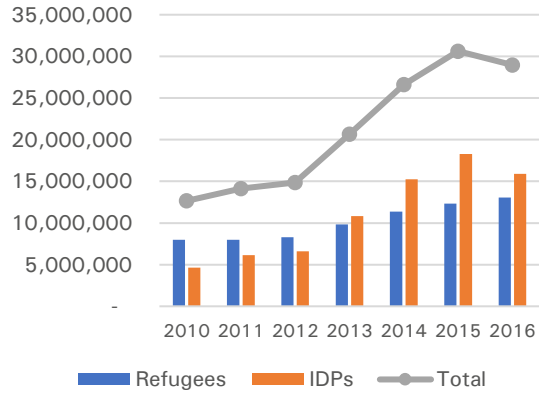


Source: Institute for Economics & Peace, 2019. Global Peace Index 2019: Measuring Peace in a Complex World.
Note: The economic cost of violence includes the direct and indirect costs of violence. Direct costs are the cost of violence to the victim, the perpetrator and the Government. These include direct expenditures, such as the cost of policing, military and medical expenses. Indirect costs accrue after the violent event and include indirect economic losses, physical and physiological trauma to the victim, and lost productivity.

C. Displacement

The displacement of people in the Arab region, including refugees and internally displaced persons (IDPs), has been among the most dramatic results of continued conflict and uncertainty. The total number of forcibly displaced persons in the Arab region grew from 12.7 million in 2010 to 29 million in 2016.[15] Recent reliable data at the regional level is difficult to obtain, but in many cases the numbers of people displaced at the national levels have grown or remained persistently high (figure 13). In addition to the recent rise in displacement, the region has long hosted significant numbers of Palestinian refugees; as of 2016, Palestinians accounted for 64.3 per cent of refugees hosted in the Arab region.[16]

Figure 13. Refugees and IDPs originating from the Arab region, 2010-2016



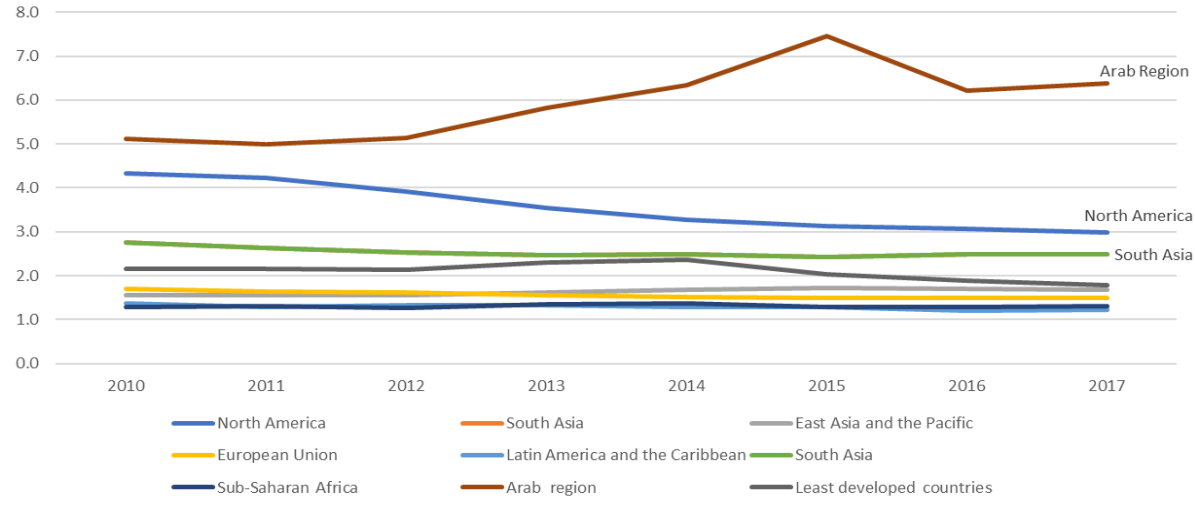
Source: ESCWA calculations, based on data from UNHCR statistics accessed on October 31, 2017; UNRWA in Figures 2011-2017; Internal Displacement Monitoring Centre (IDMC) Global Overview 2011 (for IDPs in the Syrian Arab Republic in 2011, since UNHCR started supporting IDPs in the country only in 2012).

D. Military expenditure: a worrisome trend that fuels militarization and securitization of public policies in the region and diverts resources from other policy options

Conflict has led to high and growing expenditure on security across the region, to the detriment of developmental spending and other policy priorities. The Arab region has the world's highest percentage of military expenditure as a percentage of GDP, standing at around 6.2 per cent in 2016, compared to the next-highest of 2.06 per cent in South Asia (figure 9). Meanwhile, military expenditure as a share of total Government spending has risen slightly, from 14.7 per cent in 2010 to 17.5 per cent in 2016, peaking at 19.5 per cent in 2015. From 2010 to 2016, average arms imports into the region more than doubled, according to data collected by the Stockholm International Peace Research Institute (SIPRI).

The region needs better conflict-prevention frameworks. Developing policy options with a holistic approach to conflict prevention, putting human development at the centre, is vital. To achieve this objective, namely, inclusive sustainable development, strengthening the effectiveness and accountability of institutions is a *sine qua non* condition. ESCWA can play an important role at that intersection between politics and policy. In doing so, it can also help frame discussions on the 2030 Agenda, in particular SDG 16, making them more responsive to the needs of Arab societies.

Figure 14. Military expenditure by region, 2010-2017 (*percentage of GDP*)



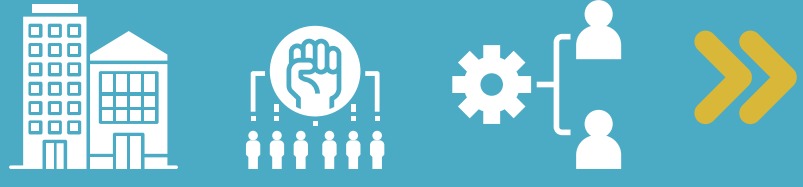
Source: ESCWA calculations, based on World Bank (GDP) and SIPRI (military expenditure) data.

E. Key messages

Conflict	
1	Armed conflict and political unrest have halted or reversed the development progress made in previous decades in the Arab region.
2	Conflict in the Arab region has not only had immediate but also severe long-term consequences for human development. Conflict has impacted all aspects of development, increasing poverty, hunger, and malnutrition, limiting access to education and other basic services, and increasing social discrimination and exclusion.
3	Conflict has led to high and growing expenditure on security across the region, to the detriment of developmental spending and other policy priorities.
4	Addressing conflict should be placed at the centre of any strategy for the realization of the 2030 Agenda.

SDG 16, governance and trust in institutions	
5	State institutions are increasingly facing crises in terms of structure, funding and their capacity to respond to the needs, expectations and aspirations of citizens.
6	Lack of transparency and accountability, corrupt practices and inefficiency have created a dangerous dynamic in the Arab region that has led to the erosion of trust in public institutions and the governance system and has undermined many aspects of the social contract.
7	SDG 16 of the 2030 Agenda serves as a good initial road map for the needed governance reforms in the Arab region contributing to bringing about peace, particularly as it assumes that peace and security are *sine qua non* conditions for poverty eradication and sustainable development.

3 Equality, inclusion and empowerment



3. Equality, inclusion and empowerment

The events of the Arab Spring and its difficult aftermaths have brought inequality to the centre of recent discussions on the future of the Arab region, which is the most unequal region in the world, according to numerous studies and reports. High levels of inequality are conducive to violent conflict, extremism and terrorist recruitment and mobilization, which pose long-term threats to sustainable development and the provision of public goods, including access to natural resources and education. Global and regional lessons from the linkages between inequality, conflict and development indicate that redistributive Governments implementing policy trade-offs between private-sector development and public-sector reform are more likely to be politically stable and generate higher growth rates. Inclusion can be construed as equal access to economic and social services and socioeconomic opportunities, political representation and participation, security and justice for all, and natural resources for the benefit of citizens without exclusion or favouritism. It is a multidimensional indicator of how a society is sharing resources, power and revenues of growth in order to reduce existing inequalities, and structural inequalities of conditions, and therefore of opportunities, at all levels, whether along gender, youth, ethnic, racial, political, religious, regional, or urban-versus- rural divides.[17] In the political sphere, inclusion can refer to an institutional structure whereby power is shared. It relates to the ability of individuals to effectively participate in political and public decision-making processes.

The 2011 Arab Spring was fueled by an amalgam of high unemployment rates, widespread inequalities and political systems marked by institutional corruption and repressive and authoritarian regimes. In this regard, empowerment is increasingly being emphasized as imperative for peace and sustainable development. Research and experience show that people who feel engaged and are provided with opportunities for participation are more likely to contribute creating and building better societies and tend to experience a better quality of life and sense of well-being. Citizen participation in civic life can foster a positive outlook toward their future and their ability to work together to manage challenges, thus preventing eruption of violent conflict. More inclusive policies aimed at empowering citizens socioeconomically and politically are necessary for the fulfilment of the human development potential in the Arab countries and for addressing the chronic governance deficits

A. Equality

1. Inequality and development

The role of equality in economic development and political change has been a central question in identifying differential growth patterns and institutional outcomes across the globe. It has been taken up by a number of prominent scholars in recent years, who underscore the significance of inequality in developing countries as a driver for political change.[18] Authoritarian rule is preserved when the degree of inequality is lower than the conjectural cost of revolution, whereas revolution occurs when the opposite condition holds.[19] Similarly, scholars model democratization as a form of concession by rulers toward citizens, when the latter can credibly threaten them with a revolution; democratization is linked to an optimal level of public goods provision for citizens and ensures that rulers remain in power with a reduced ability for rent extraction.[20] Hence, extractive politicians are more likely to be outvoted or toppled by public mobilization because their rent-seeking activities generate inequality. There is a difference between equality of welfare and equality of opportunity. Therefore, measuring economic development on the basis of a two-dimensional space is of significance,[21] namely, average income of the most disadvantaged in society, and total income inequality as a result of differential effort and skills rather than circumstances. This measurement approach of economic development introduces sustainability as a form of egalitarian redistribution from rich to poor. It also implies that conflict and post-conflict societies are inclined to grow only when household wealth is not the main predictor of personal income and the distance between the extremes of the income distribution is minimized.

When player payoffs in a conflict model are public, inequality and polarization are conducive to conflict.[22] Efficient levels of mobilization become harder to reach under conditions prone to radicalization, while the opposite holds under conditions of high-income inequality.[23]

Box 1. Statement by Prof. Alston Philip, Special Rapporteur on extreme poverty and human rights at the 29th session of the Human Rights Council, June 22, 2015

"Perhaps the biggest societal change to take place in recent decades has been the dramatic increase in levels of inequality, not just between the rich and the poor, but between the super-rich and the rest. It is cause for shame that the wealth of the world's eighty richest people is roughly the same as that of the poorest 3.5 billion people. At the same time, the lowest 40 per cent in terms of income distribution have benefited little, and in many cases have gone backwards. This is the world that our existing policy choices have created, and these trends are continuing to increase dramatically (…) First, we need to recognize that the concern is not solely with income inequality, but with a range of extreme inequalities in relation to wealth, access to education, health care, housing and so on. Second, our response should be motivated not only by these deep threats to economic, social, and cultural rights, but also by the fact that the enjoyment of the full range of civil and political rights is undermined by extreme inequality. Third, while a great many steps will need to be taken if extreme inequality is to be halted, the Council needs to do more than just adopt fine words. For over 25 years, independent experts have been submitting reports warning of the consequences of inequality, but nothing has been done in response".

In the latter case, the opportunity cost of non-participation is significantly lower. Polarization increases with redistributive conflicts over public goods, whereas fractionalization increases with redistributive conflicts over private goods.[24] Overall, both fractionalization and polarization matter, as perceived rather than real inequality may influence citizens' demands for redistribution, which implies a high level of ignorance among the poor about the income of the rich, given the comparative rarity of revolution.[25] While this finding preserves the significance of inequality as a driver of peace and development, it poses the central issue of measurement when it comes to the exploration of income, welfare and cultural differences within a society.

Governments in the Arab region are faced with significant challenges related to the peaceful transition from conflict and the initiation of reforms that will achieve social cohesion and long-run socioeconomic development. The role of pro-equality policies is crucial.[26] Strong Governments, with efficient and accountable institutions and high levels of regulatory enforcement, fiscal decentralization, and meritocratic civil service, are key for peace and long-run economic performance in the Arab region.

2. Income inequality: Global evidence and measurement strategies

The 2011 Arab uprisings and their difficult aftermaths have brought inequality to the centre of recent discussions on the future of the region. The Middle East is the most unequal region in the world, by computing distributional national accounts[27] and combining household survey data, national accounts, income tax revenues, and information on the highest earning percentiles. Inequality is observed at both intra- and cross-country levels; and the geographic distribution of oil resources and the skewness of income distribution toward its extremes in certain Arab counties are identified as key predictors of underdevelopment and conflict.[28] High levels of inequality facilitate violent extremism and terrorist recruitment and mobilization, which pose long-term threats to the provision of public goods, including access to natural resources and education. Global and regional lessons from the linkages between inequality, conflict and development indicate that redistributive Governments implementing policy trade-offs between private-sector development and public-sector reform are more likely to be sustainably stable and generate higher growth rates.

Resource egalitarianism refers to the equal distribution of resources in society and can be connected to public policies that either compensate prior inequality or increase the quality of provided public goods. Welfare egalitarianism focuses on equalization strategies that symmetrically compensate citizens independently of their initial material or social circumstances.[29] In conflict and post-conflict societies, the introduction of pro-equality policies is related to either or both concepts of egalitarian distribution. Resource egalitarianism creates the ground for conflict termination and negotiations for the emergence of coalition governments among competing factions. In the same direction, welfare egalitarianism provides incentives for peaceful consolidation and undermines incentives for violent mobilization among groups representing the lower quantiles of income distribution in any given society. While the goal of resource-driven egalitarian policies is to achieve a stable and long-run consensus among the elites, outcome-

driven egalitarian policies concentrate on the lowest income percentiles. This implies that peace, and more importantly high economic performance, can be achieved when the disadvantaged segments of society become stakeholders of an anticipated and large-scale transformation process.

The relationship between inequality and conflict has been at the core of the literature on transition and developing economies. Economic inequality is a powerful predictor of conflict.[30] Nevertheless, it is essential to collect better inequality data and identify the transmission mechanisms between inequality and conflict, such as ideological shifts, group dynamics, critical junctures, and democratization pressures. For instance, the discovery of energy resources is conducive to conflict in societies with high ethnic inequality,[31] while the intensity of colonialism shapes ethnic stratification and, therefore, propensity to conflict.[32]

3. Inequality and its discontents in the Arab region

While the empirical relationship between conflict and socioeconomic development has been established for the Arab region, inequality as an incentive to violent mobilization and conflict has been a more recent phenomenon. Given the rise in regional and global income inequality, the introduction of policies dealing with different aspects of inequality is crucial. Vertical inequality in the form of income or welfare inequality, as well as horizontal inequality in the form of ethnic, gender, political, and social inequality, capture the key analytical dimensions of this question.[33] The challenge of reverse causality in exploring the association between inequality and conflict can be partly alleviated through the selection of exogenous instruments that are related to inequality, but not directly to conflict, such as imperial legacies, discovery of energy resources, access to water resources, and terrain ruggedness. Furthermore, religious values and adverse political development may facilitate the onset of conflict through gender inequality. As cases of civil conflicts suggest, the Sunni-Shi'a divide is of lesser significance compared to the monopoly of national resources held by small elites, political exclusion and control of the military or interparty competition, with the purpose of controlling State power as an exclusive force.

The SDGs adopted by the United Nations stress the importance of ecological equality, equal access to the rule of law, and structural inequality related to the political system and social practices that advance discrimination.[34] Distributive equality is also a central component of the SDGs.[35] Looking at inequality, conflict and development in the Middle East, the negative association between conflict and development is reflected in the economic performance of Iraq, Libya, the Syrian Arab Republic, and Yemen.[36] However, Iancovichina and others indicate that Arab inequality is directly linked to the dissatisfaction of large segments of citizens with deteriorating living conditions.[37] They identify the quality of governance and the effectiveness, or lack thereof, of institutions as key drivers of underdevelopment. Corruption, limited political representation, socioeconomic exclusion, perceptions of distributive fairness, and absence of job opportunities in the formal sector of the economy delineate the explanatory basis for grievances and conflict in the Arab region.[38] Observing the economic outlook for Egypt, it is obvious that the sustainability of pro-equality policies in Egypt and concurrent economic recovery are contingent upon domestic political

stability.[39] Similarly, in Lebanon, the quality of public goods and the accountability and effectiveness of institutions in service delivery are instrumental for conflict prevention and the introduction of pro-equality policies.[40] The same holds in Tunisia with respect to the capacity of the security services. Contrary to Iancovichina and others, Alvaredo and others introduce a novel measurement strategy for inequality, finding that the Middle East is the world's most unequal region, with 64 per cent as the top decile income share, compared to 37 per cent in Western Europe, 47 per cent in the US and 55 per cent in Brazil. This is due to the large economic disparities between resource-rich and resource-poor economies in the Arab region, and the limited availability of fiscal data.[41] The creation of a regional investment fund that would provide continuous transfers from the richer to the poorer economies in the region on the basis of the model of the European Union would be a significant advancement toward equality and peace consolidation.[42] This policy would be particularly pertinent for Iraq, Libya, the State of Palestine, the Sudan, the Syrian Arab Republic, and Yemen, all of which still face pressing security concerns.

4. Challenges in terms of gender equality

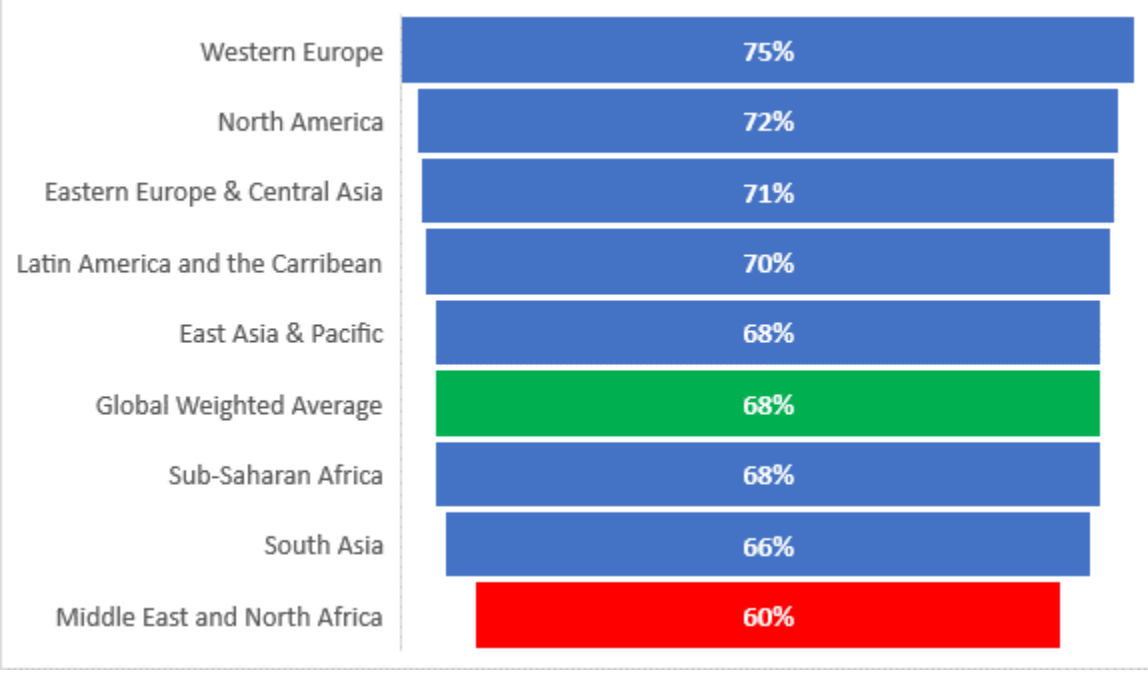
Gender inequality continues to represent a critical issue in the Arab region. The inclusion of women and the reduction of barriers to female participation in national economies would represent a boost for economic growth, inclusive socioeconomic development and a gain for society as a whole.[43] Female labour participation in the Arab States is the lowest in the world: less than 21 per cent of the female population above 15 years old participated in the job market in 2017, compared with a global average of almost 49 per cent.[44] Women are also excluded from entrepreneurship: in the Arab region, only 21 per cent of firms have at least one woman among their owners, compared to 35 per cent at the global level.[45]

According to the Global Gender Gap Index 2018,[46] created by the World Economic Forum, the MENA region is by far the worst performer in terms of gender equality achievement. As illustrated in figure 15, in 2018, the gender gap in the MENA region was at 40 per cent, against a global average of 32 per cent, according to this index.

Gender discrimination persists at various levels in the Arab region. For instance, when asked whether men should have more rights than women in obtaining a job when jobs are scarce, more than 70 per cent of respondents (both men and women) in the Arab States answered with yes.[47] Naturally, the results are not homogenous across the whole region: in Lebanon, for example, this proportion was approximately 40 per cent, whereas in Egypt and Jordan, more than 80 per cent of respondents agreed with the proposition.

Figure 16 shows the differential patterns of gender inequality in the Arab region, with a focus on the ILO-based Gender Parity Index (GPI) for secondary education released by the International Labour Organization (ILO). While Egypt and the Syrian Arab Republic score consistently below or at the parity threshold of 1.0, we observe that Algeria, Lebanon and, to a lesser extent, Jordan have been performing relatively well, above the parity threshold. All three latter countries, however, have experienced a negative GPI slope in more recent years. In Libya, gender inequality is decreasing, but the observation is based on less data and stops at the Arab uprisings. Yemen is a persistent underperformer in gender equality despite its recent declining slope.

Figure 15. Gender equality in various regions of the world (*percentage*)



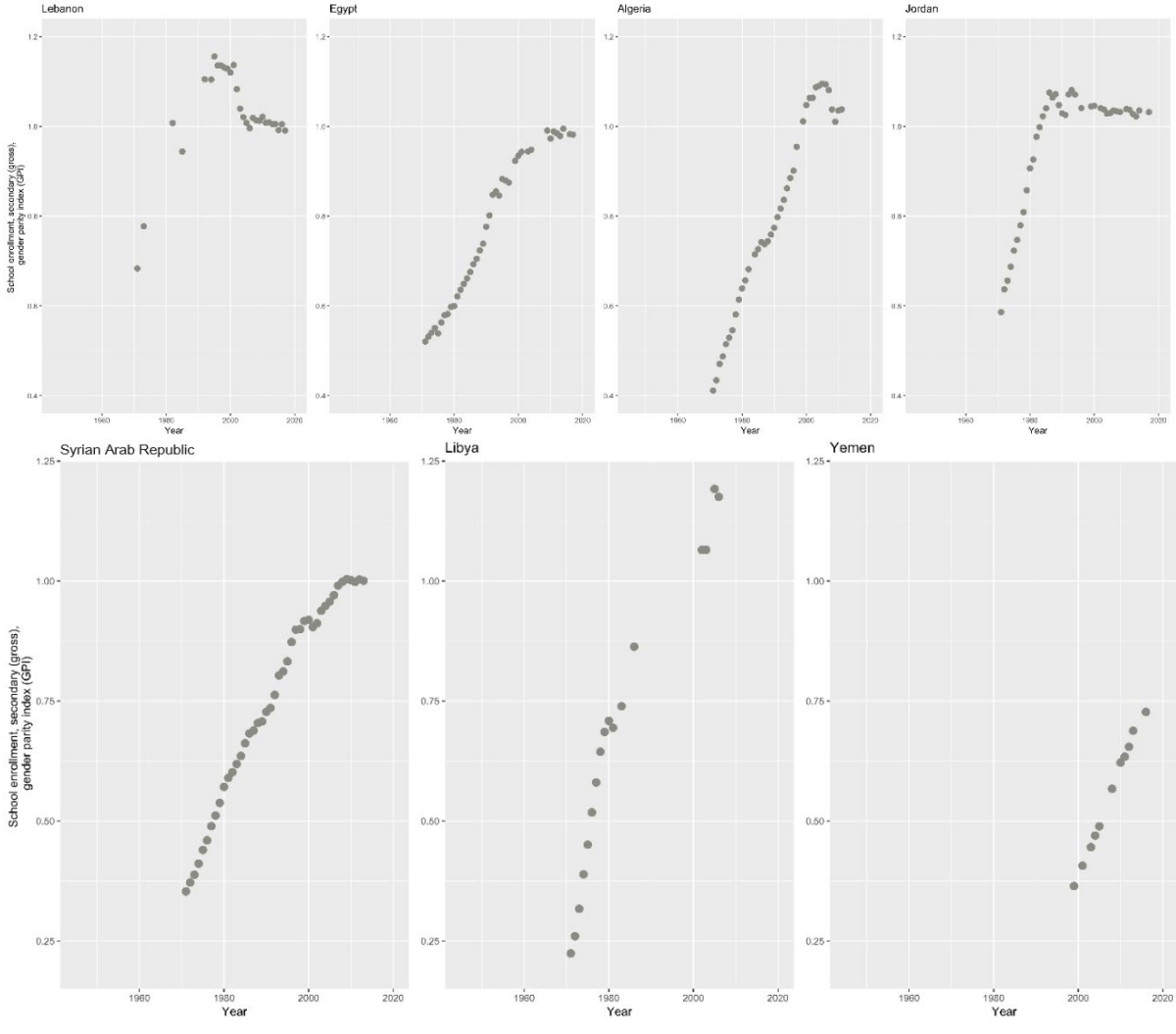
Source: WEF, 2018.
Note: 100 per cent represent total gender equality.

Territorial integrity and respect for international law over existing borders are prerequisites for the implementation of pro-equality policies that reduce the propensity to conflict and render peace negotiations the preferred path of action. Costly population heterogeneity and small economies of scale within a larger country can provide efficient conditions for secession.[48] It appears that conflict feeds itself through low levels of human capital that are connected to psychological trauma and deteriorating public infrastructure. Evidence from the Syrian uprising of 2011, which heralded the start of the Syrian conflict, shows that there is more than the standard communal competition toward control of Syrian State structures.[49] This implies that pro-equality policies must address different aspects of structural global and regional inequality in order to achieve sustainable outcomes.

Furthermore, the protests of the massive social movements of 2011 have increased individual monthly income in the treated economies compared to non-treated ones. This may be related to redistributive policies initiated by some Arab Governments in response to the spread of political mobilization in the Arab region. The results are persistent when conflict fatalities are included into the set of covariates; there is an increase both in the magnitude and statistical significance of the related coefficient. It is, therefore, possible to observe that the Arab uprisings have produced rather mixed effects in the Middle East. On the one hand, they have drastically reduced social capital and increased

interpersonal and institutional distrust, which continues to undermine the efficiency of transactions and institutional design. On the other hand, they have increased the individual welfare of some citizens in the region, in relative terms, which has the potential to create an electorate in favour of political and socioeconomic reforms, including the development of more genuinely representative political parties and stronger and more efficient institutions. The different outcomes in terms of regimes that have resulted from the Arab uprisings require the careful consideration of global and regional cases from other parts of the world, which may serve as long-run lessons or exemplary success stories for the Middle East.

Figure 16. Gender inequality in the Arab region, by country



Source: ILO, 2019.

Box 2. Statement by Prof. Alston Philip, Special Rapporteur on extreme poverty and human rights at the 29th session of the Human Rights Council, June 22, 2015

"The most tangible way of affirming that we have a normative commitment to limiting the consequences of extreme inequality is to guarantee a minimum level of respect for economic and social rights for every person. In brief, these fundamental rights need to be taken seriously at the national and international levels. They need to be treated as human rights; they need to be integrally linked to the provision of Social Protection Floors and universal healthcare coverage; and they need to be protected by appropriate institutional arrangements applying a human rights framework to monitor and provide redress".

B. Inclusion

The socioeconomic dimension of inclusion refers to equal access to public services, land, water, and extractive resources, in addition to a decent income guaranteed by adapted macroeconomic policies leading to growth for all and redistributive transfers. In the political sphere, inclusion can refer to an institutional structure whereby power is shared. It relates to the possibility for individuals to partake in the political process fully and effectively, as well as to a greater contribution and representation of different groups in the governance arena, as well as an equal possibility to access the executive branch, police and military.

1. Background on inclusion in the Arab region: general trends

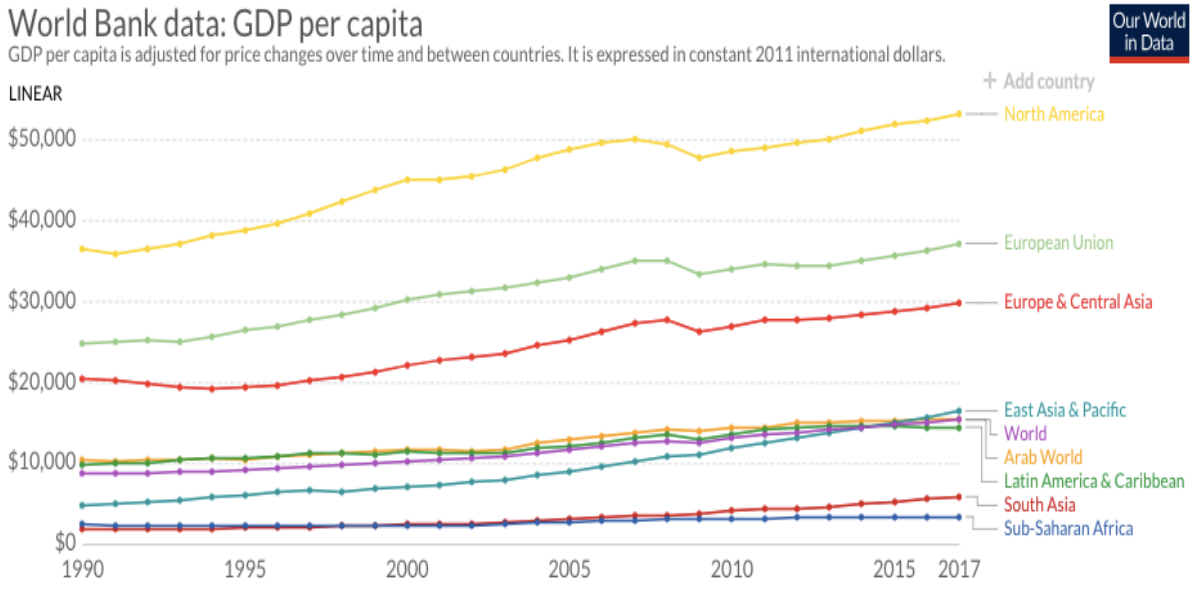
In the last decade, conflicts have been more numerous — and more deadly — in the Arab region than in any other region in the world. Between 2009 and 2013, 41 per cent of Arab States were affected by at least one internal conflict.[50] The Arab States may be caught in a conflict trap,[51] which works through several mechanisms, as follows: "[conflicts] undermine trust and reduce opportunities; allow the formation of 'conflict capital'; and aggravate factors that make societies prone to conflict".[52] The authors describe conflicts as "development in reverse" since they weaken political systems, undermine economic growth and socioeconomic development, worsen the health and welfare of citizens, lead to violation of human rights, and increase the risk of further conflicts in the future.

Evidence of the negative effects of conflicts can be seen in the figures. In 2017, the GDP per capita in the Arab region was comparable to the world average (figure 17), but GDP growth per capita in the Arab region was at -0.77 per cent (figure 18), the lowest of all regions. Beside the Arab region, only sub-Saharan Africa experienced negative growth in GDP per capita, though the magnitude (-0.08 per cent) was lower than that in the Arab region.

In 2017, the Arab region had the third-lowest Human Development Index (HDI), after sub-Saharan Africa and South Asia (figure 19). Only these three regions had an HDI below the world average. Over the last decade, the trend in HDI was most sluggish in the Arab region. From 2012 to 2017, the HDI rank of Yemen fell by 20, that of Libya fell by 26 and that of the Syrian Arab Republic by 27 (figure 20). In 2017, the Arab region had the second-highest Gender Inequality Index (GII), at 0.531, after sub-Saharan Africa with 0.569 (figure 20).

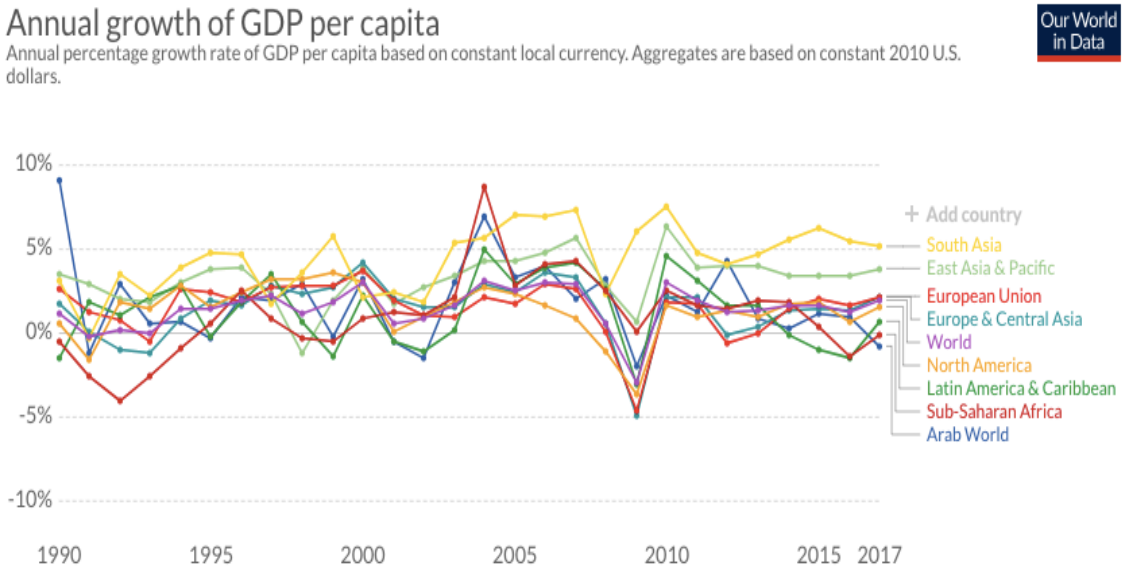
In addition, the Arab region records the lowest female labour-force participation rates in the world at close to 20 per cent, compared to the global average of nearly 50 per cent (figure 21).

Figure 17. GDP per capita, by country grouping, 1990-2017



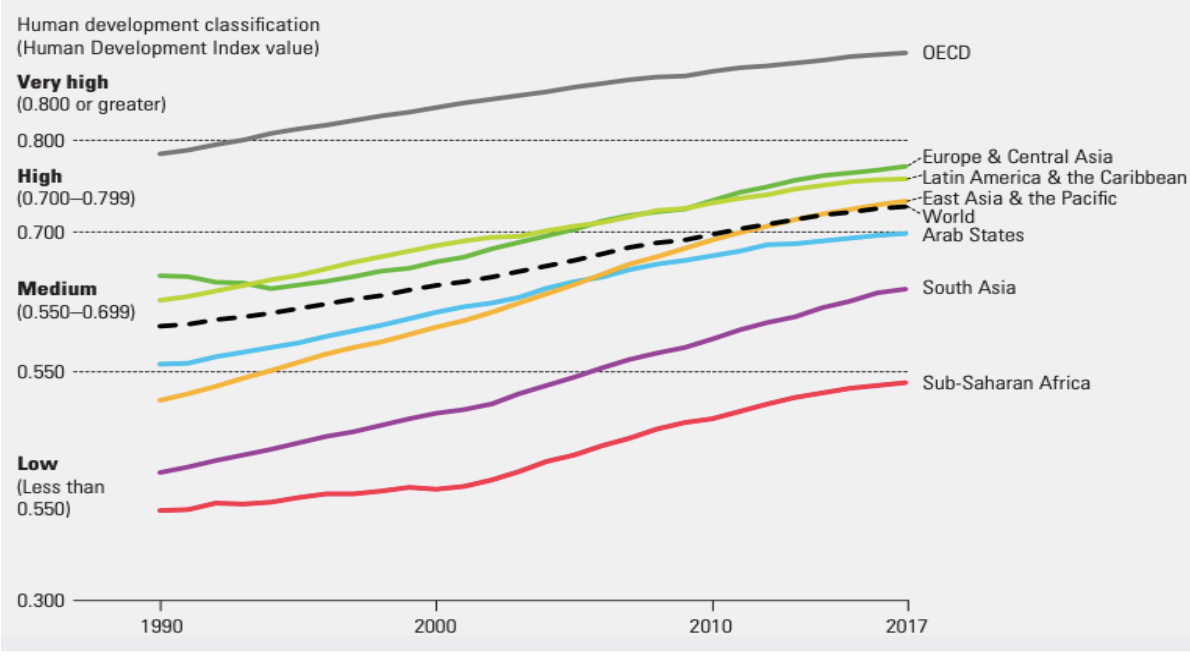
Source: Our World in Data.

Figure 18. Annual growth of GDP per capita, by country grouping, 1990-2017



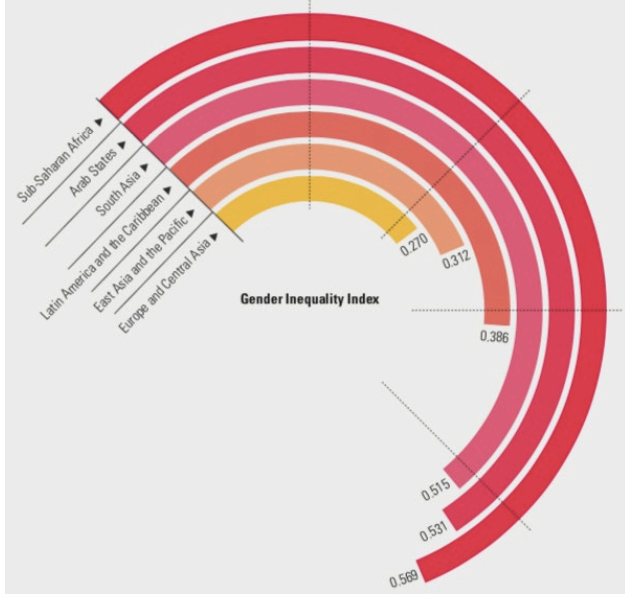
Source: Our World in Data.

Figure 19. Human Development Index value, by country grouping, 1990-2017



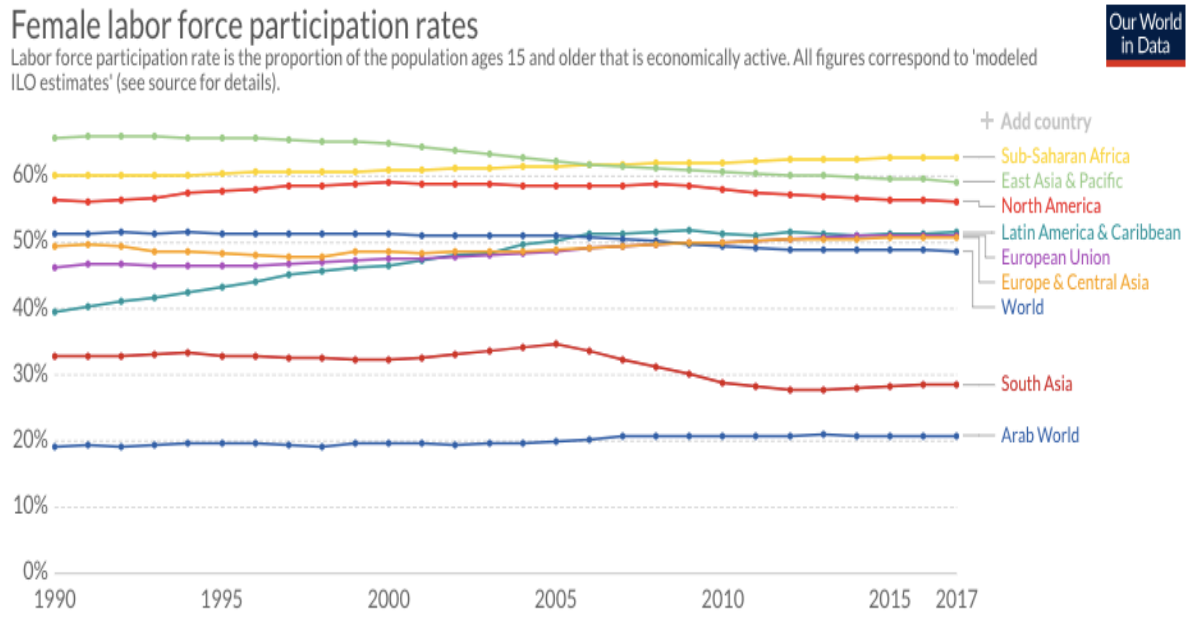
Source: UNDP Human Development Indices and Indicators: 2018 Statistical Update.

Figure 20. Change in Human Development Index rank in conflict-affected countries, 2012-2017 (*left*); Gender Inequality Index, by developing region, 2017 (*right*)



Source: UNDP Human Development Indices and Indicators: 2018 Statistical Update.

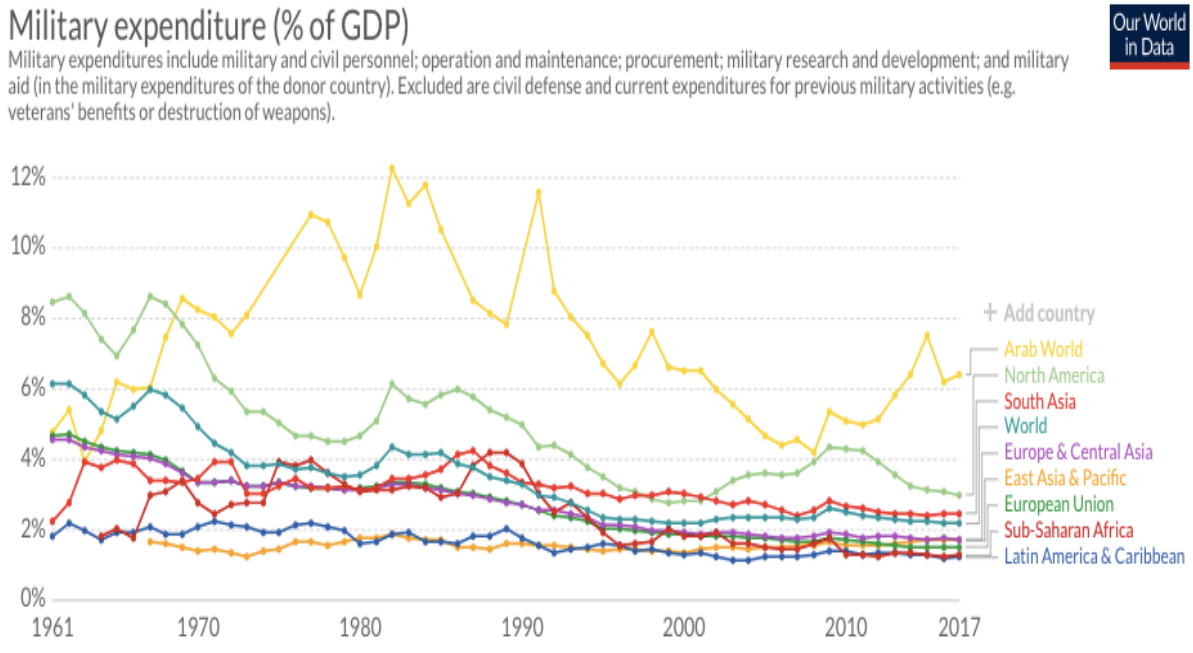
Figure 21. Female labour-force participation rates, by country grouping, 1990-2017



Source: Our World in Data.

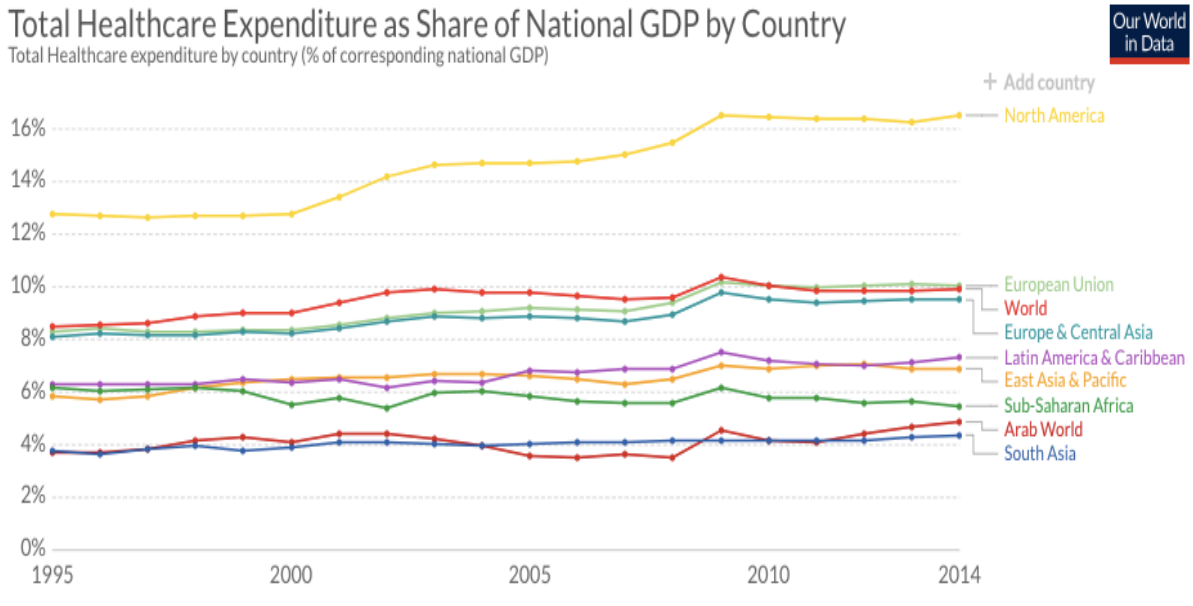
From 1970 to 2017, the Arab region has continuously ranked first in the world in terms of military expenditure as a percentage of GDP (figure 22). In 2017, the Arab region was far ahead of any other region in this regard, with military expenditure accounting for more than 6 per cent of GDP. By contrast, health-care expenditure as a share of national GDP in the Arab region has consistently been one of the lowest in the world: in 2014, it accounted for only about 5 per cent of national GDP, the second-lowest region after South Asia (figure 23). In 2014, the gross enrolment ratio in tertiary education in the Arab region was well below the world average (figure 24). From 2014 to 2017, unemployment rates in the Arab region were the highest in the world, at close to 10 per cent (figure 25). Looking at employment by sector, in 2017, the Arab region ranked third in the world in terms of employment in agriculture, after sub-Saharan Africa and South Asia (figure 26). Employment in agriculture accounted for close to 25 per cent of total employment, just below the global average. The Arab region ranked highest in the world in terms of industry employment from 2012 to 2017 (figure 27). From 2010 to 2018, employment in services in the Arab region was close to 50 per cent of total employment, lagging behind the world average since 2015 (figure 28). Growth in the share of employment in services has been stagnant in the last decade. The share of employment in agriculture has experienced a drop, while the share of employment in industry has risen moderately (figure 29).

Figure 22. Military expenditure, by country grouping, 1961-2017 (*percentage of GDP*)



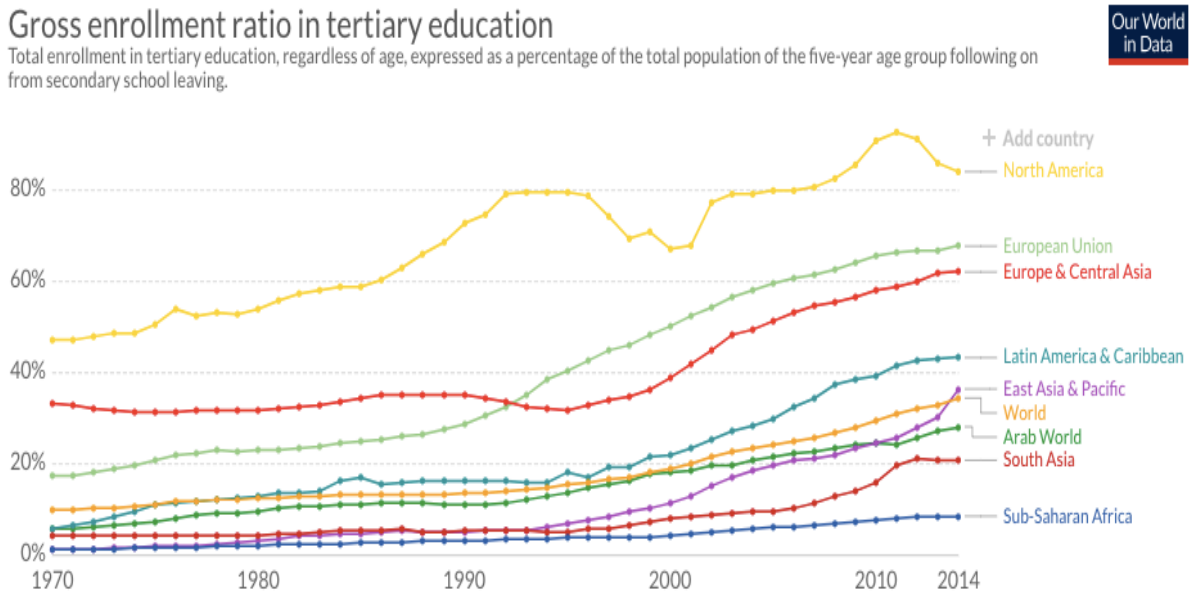
Source: Our World in Data.

Figure 23. Total health-care expenditure as share of national GDP, by country grouping, 1995-2014



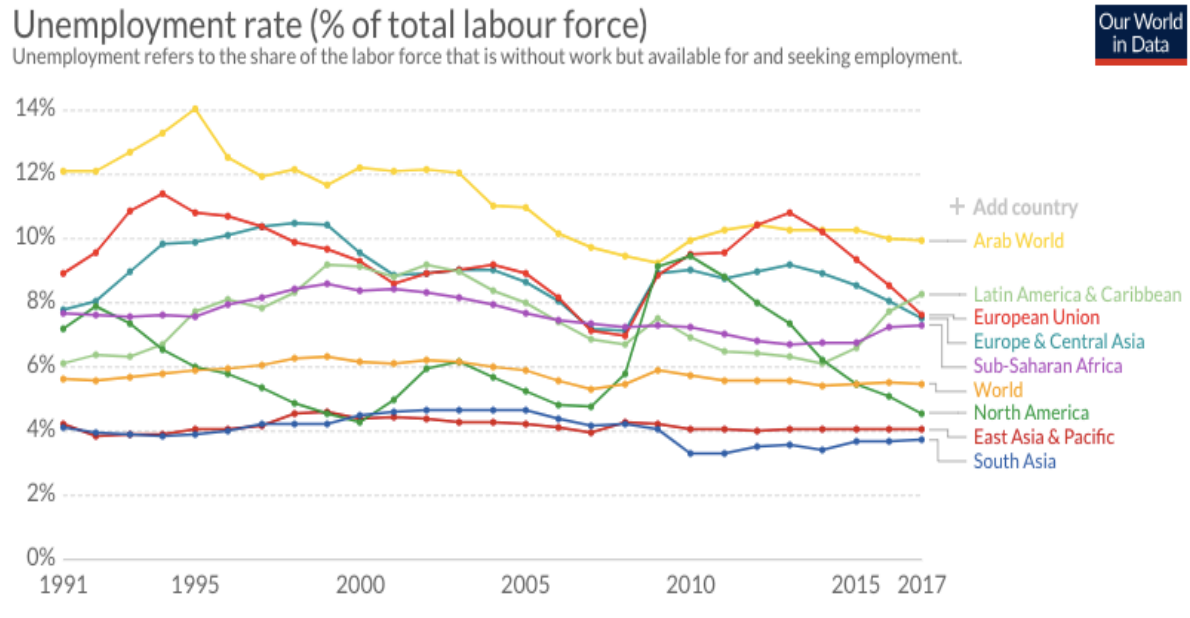
Source: Our World in Data.

Figure 24. Gross enrolment ratio in tertiary education, by country grouping, 1970-2014



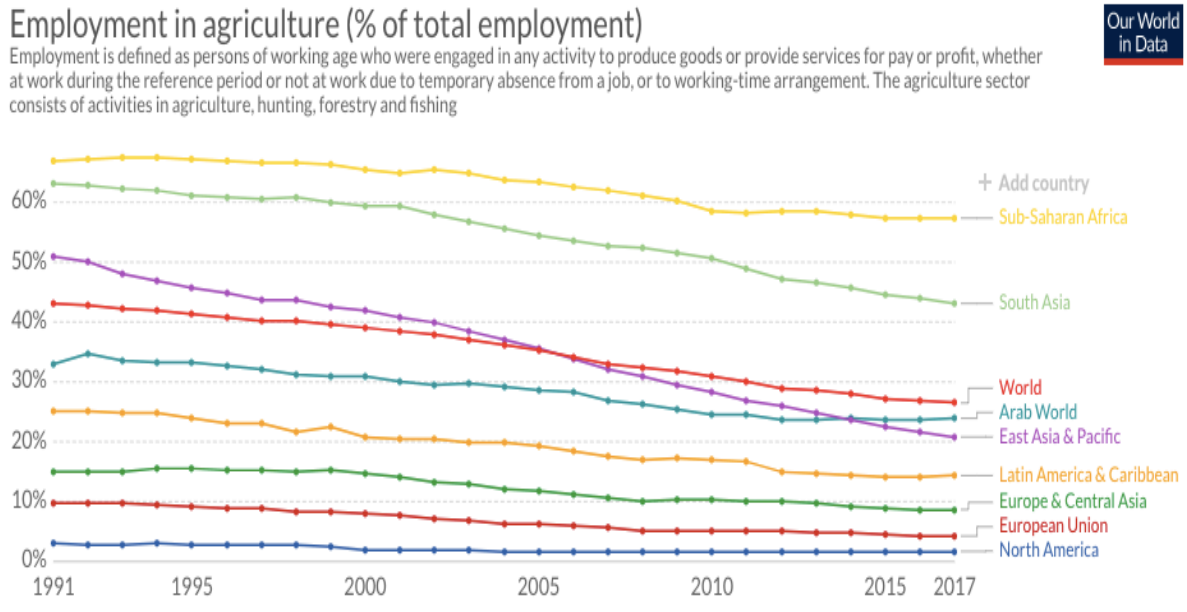
Source: Our World in Data.

Figure 25. Unemployment rate, by country grouping, 1991-2017 (*percentage of total labour force*)



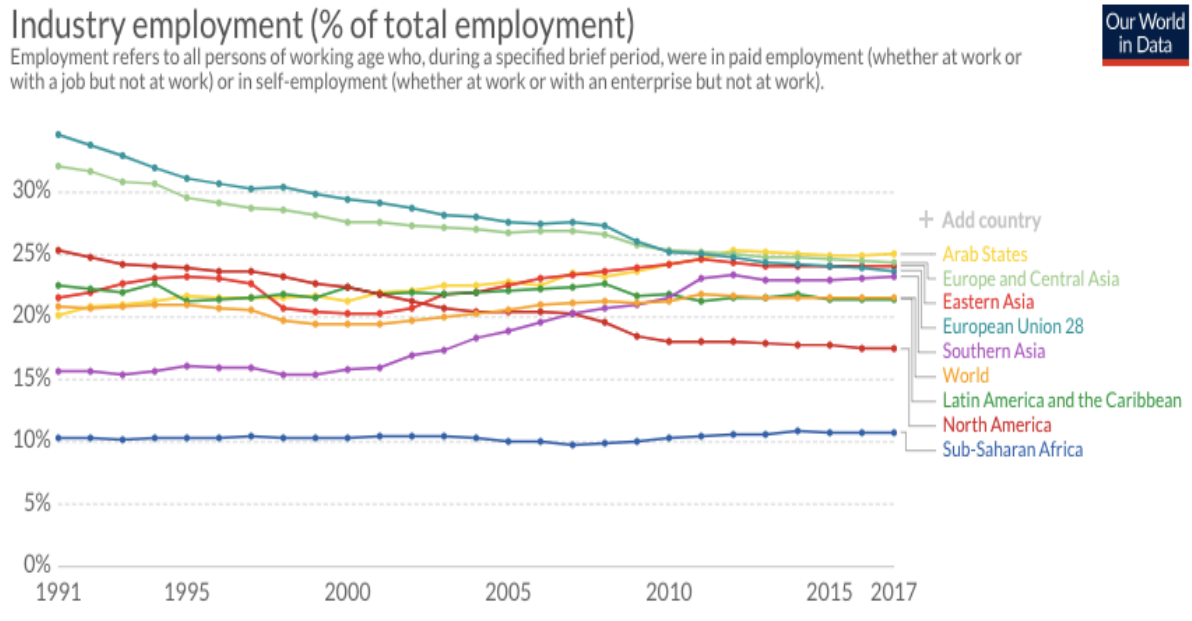
Source: Our World in Data.

Figure 26. Employment in agriculture, by country grouping, 1991-2017 (*percentage of total employment*)



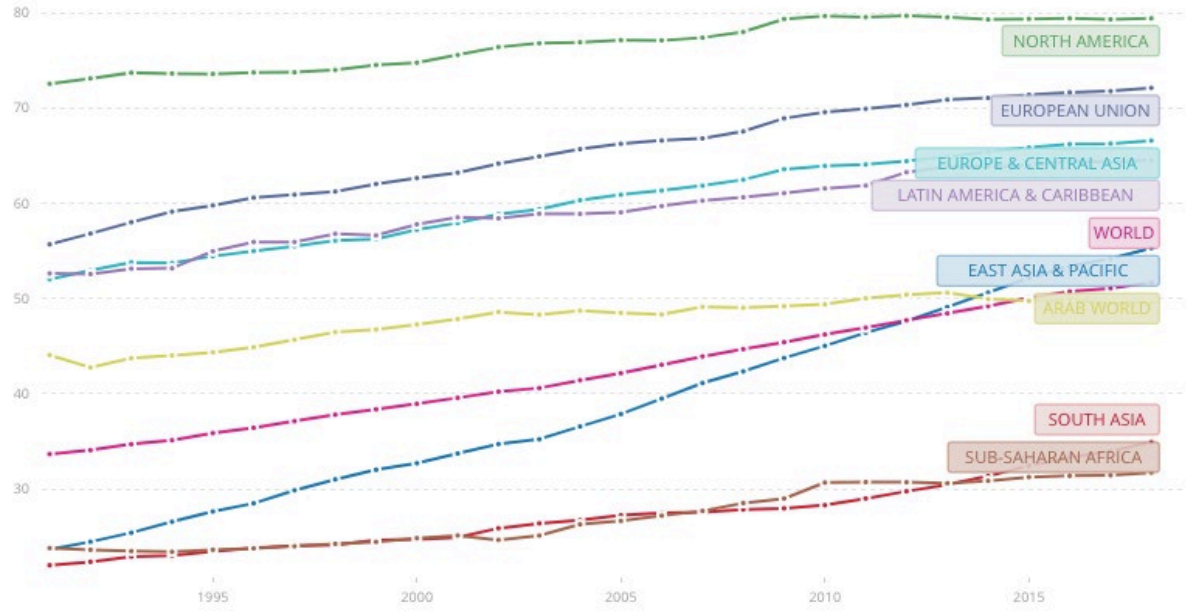
Source: Our World in Data.

Figure 27. Employment in industry, by country grouping, 1991-2017 (*percentage of total employment*)



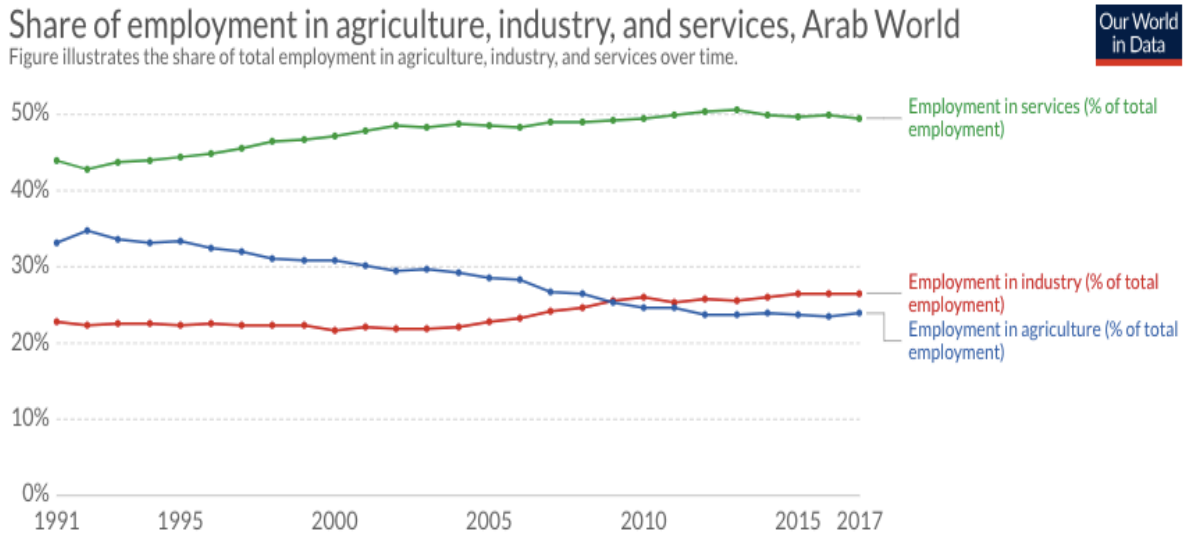
Source: Our World in Data.

Figure 28. Employment in services, by country grouping, 1991-2018 (*percentage of total employment*)



Source: World Bank Open Data.

Figure 29. Share of employment in agriculture, industry and services, Arab world, 1991-2017



Source: Our World in Data.

Similar patterns recur throughout the study of interpersonal trust, which is considered a key variable for economic growth and development. Trust has a significant impact on economic growth, since it affects the transaction costs related to investment decisions.[53]

2. Reduction of intergenerational gap

As numerous ESCWA studies have shown, the Arab region has a youthful population with the potential to significantly contribute to the implementation of the 2030 Agenda. Nevertheless, for this potential to become reality, it is paramount to guarantee the rights of excluded young people. In other words, it requires them to have equal access to quality health care, education, employment, housing, information and communication technologies and other public services, and to adequate channels for civic engagement. Recent studies by ESCWA reviewed the main dimensions of inequalities among young people in the Arab region.[54] They discussed selected dimensions of inequality among Arab youth and highlight the gaps and challenges that affect youth policy development and implementation.

In fact, with almost 35 per cent of the combined population in Arab States being below 18 years of age — well above the global average of 25 per cent and second only to sub-Saharan Africa — the region's youth represents both a huge opportunity and a potential risk, depending on the quality of socioeconomic and political choices made by the respective Governments.[55] Youth unemployment in the region is the highest in the world: around 27 per cent of the Arab youth (those between 15 and 24 years old) were unemployed in 2017, which is double the world average of 13 per cent. By comparison, this figure was 18 per cent in the European Union, but mostly driven by Greece, Spain and Italy, with more than 30 per cent of youth unemployed. This clearly shows that youth unemployment represents the most urgent challenge for policymakers and politicians in the region in light of the significant portion of society that will enter the job market in the coming decade.

The need to create job opportunities for youth is imperative. As shown by various studies, unemployment represents one of the main reasons for young people to join violent extremist groups.[56] It has also been considered by some scholars as the main cause of civil unrest and violent conflict in the 2011 Arab Spring.[57] The Arab States comprise the region in which the highest share of people think that older generations have too much power in the socioeconomic and political life of their country. An average of 65 per cent of respondents agreed with the statement "Old people have too much political influence", with peaks of 75 per cent in Egypt and Tunisia.[58] By comparison, in Latin America, the regional average was lower than 50 per cent, with only Brazil and Colombia exceeding 60 per cent. Moreover, when looking at data on trust, it is worth noting that, in the Arab States, trust levels increase with age, albeit only to a limited extent, whereas in the rest of the world, usually a negative relationship between trust and age can be observed.

Table 2. People agreeing with the statement "Most people can be trusted", by age group (*percentage*)

Age	Arab States	Latin America	Eastern Europe
Up to 29	18.3%	10.5%	20.5%
30-49	19.5%	9.4%	19.3%
50 and more	22.2%	9.4%	19.5%
Average	19.6%	9.7%	19.7%
Number of countries	12	9	10

Source: World Values Survey, 2014.

C. Empowerment

As stated earlier, the root causes of violent conflict are often a complex combination of political, socioeconomic and historical factors. It has been widely argued that the rise of social movements and uprisings in the Arab region in 2011 were fuelled by an amalgam of high unemployment rates, widespread inequalities and political systems marked by institutional corruption and repressive and authoritarian regimes. In this regard, empowerment is increasingly being emphasized as imperative for peace and sustainable development. Research and experience show that people who feel engaged and are provided with opportunities for participation are more likely to contribute to creating and building better societies and tend to experience a better quality of life and sense of well-being. Promoting engagement by focusing on social equality and inclusion can enhance physical, emotional and mental health, strengthen social relationships and enhance people's performance and work productivity. Moreover, citizen participation in civic life through agenda setting, planning and decision-making at the national and community levels can foster a positive outlook toward their future and their ability to work together to manage challenges, thus preventing eruption of violent conflict.

Empowerment is a broad concept and a complex process that encompasses multiple interrelated dimensions, levels and domains (figure 30). It is a multilevel construct in which individuals or groups gain control and mastery of the social, economic and political aspects of their lives, in order to improve their equity and quality of life.[59] Empowerment can take place across emotional, psychosocial, mental/cognitive, interpersonal, and active dimensions of a person or group's life. It may encompass various domains, including political, economic, legal, and sociocultural. For example, women in some communities may be economically empowered and active contributors to the workforce, yet politically disempowered with limited participation in policymaking arenas.[60]

Empowerment may take place at the personal, interpersonal and group levels. It is not merely an increase in capabilities and choices for participation or involvement in an action or decision, but further encompasses critical consciousness and a deeper sense of self-actualization and self-formation, which relate to people's understandings, values, visions, and positive self-imaging.[61] "Empowerment is thus more than simply opening up access to

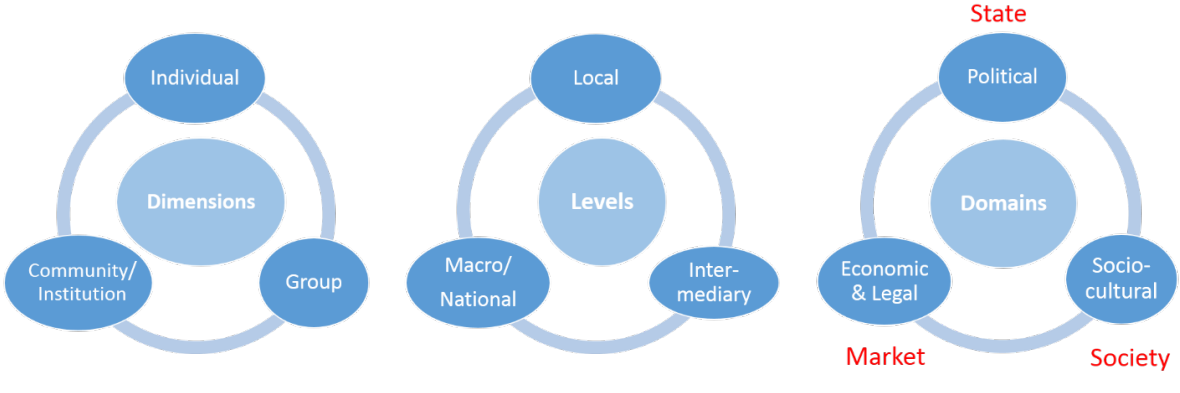
decision-making; it must also include the processes that lead people to perceive themselves as able and entitled to occupy that decision-making space".[62] Empowerment also relates to people's willingness and capacity to take action. It is the ability of citizens and communities to increase their participation in decisions for enhancing their sense of control over their lives and for addressing systems of socialization and power.[63] An important feature of empowerment is, therefore, the transformational power of choices.

In a conflict setting, citizen and community empowerment can be considered to relate to a reflexive as well as social action process through which individuals, communities and organizations are capable of making life choices in a social and political context where this ability was previously denied to them, and to transform these choices into desired actions and outcomes.[64] An empowering process would thus focus on supporting disadvantaged people to gain power and exert influence over those in power or in control of access to resources or decisions, whether at a local community level or a macro/national level.

Enhancing the participation of diverse segments of society also contributes to the creation of more informed policies and sound governance and promotes social, psychological and political empowerment of citizens and communities.[65]

The extent to which a person is empowered is influenced by a sense of self-efficacy, which is the belief in their ability to make a change, and personal agency, which is the capacity to make purposive choices, to generate actions and to control events that affect their lives, in addition to the opportunity structure, which is the institutional context in which such choices are made. A sense of agency and self-efficacy are crucial for driving citizens to actively participate in political processes that they believe they can change or improve, and to influence policies and decisions that affect their lives.[66] The context in which (dis)empowerment takes place is also important and includes the presence and operation of institutions, regulatory frameworks and norms; the access to resources and information; and the power relations between citizens and the State and between different communities.

Figure 30. Empowerment as a multilevel and multidimensional construct



The World Bank provides a tool for measuring the degrees of empowerment by assessing the following three main factors: whether a person has the opportunity to make a choice (the existence of choice); whether a person actually uses the opportunity to choose (the use of choice); and, once the choice is made, whether it brings the desired outcome (the achievement of choice). True empowerment thus means that processes of participation must be "consequential" for ensuing legal or policy outcomes.[67] The relationship between citizens and the State is also crucial, especially with regard to ensuring transparency, accountability, rule of law, access to justice, and inclusive and equitable political representation and participation. In the absence of one or more of such elements, disadvantaged groups may feel excluded and disempowered, and the possibility of tension or conflict rises, as further elaborated below.

1. Linking empowerment to conflict

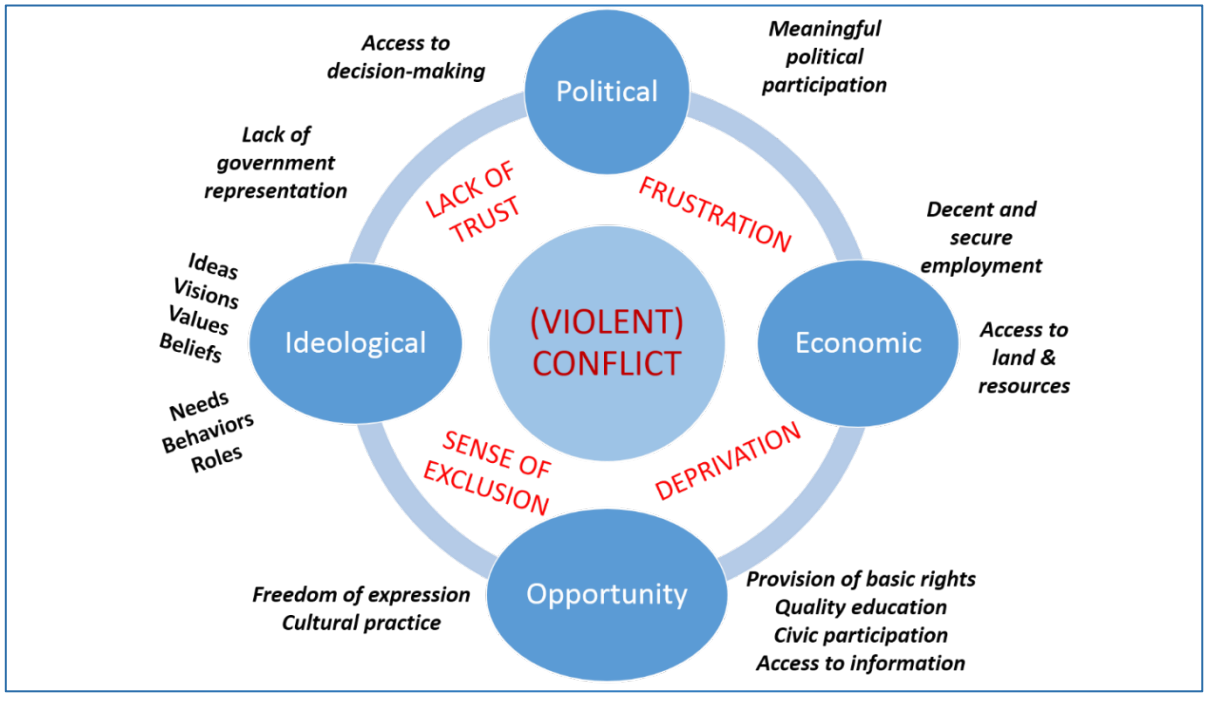
In general, (dis)empowerment and conflict are interlinked in complex ways. Conflicts may arise due to the incompatibility of needs, values, interests, ideas, visions, or behaviours amongst individuals or groups; due to the inability of certain individuals or groups to exercise their rights; or in situations of significant underlying differences in access to socioeconomic or political resources, such as among social classes and ethnic or religious groups.[68] In such contexts, a sense of frustration, vulnerability and/or insecurity may ensue, and the disadvantaged groups may perceive a threat (physical, emotional, cultural, or power-related) to their needs, interests, concerns, or overall quality of life. Yet, conflict need not necessarily be destructive or violent, as in certain settings in particular in the Arab region, constructive conflict may be manifested through peaceful disputes and negotiation and may even lead to enhanced understanding among the different parties and a positive collaborative outcome.[69] In the context of this report, the focus is on the negative aspects of conflict, which may, in some cases, be destructive or violent, and its links to the (dis)empowerment of citizens and communities.

The root causes of violent conflict are often a complex combination of political, socioeconomic and historical factors interwoven together. At their core is a driving force of dissatisfied, disengaged and disempowered populations who ultimately decide to make a transformational change to the status quo. Disempowered individuals and groups/communities are usually those whose rights have been violated, or who have been excluded from access to resources, information and opportunities (including education, employment, health services, and others), or from participation in civic life and political spheres (such as decision-making). They could be an entire marginalized social class or community, such as ethnic or political minorities, or a specific population group such as women, youth or migrant workers. In some cases, a large majority of a country's population may feel disempowered under an authoritarian or dictatorial regime, and this may lead to violent conflict, such as the recent events in the Arab region.

2. Determinants of disempowerment and conflict

There are multiple interrelated dimensions and factors that may lead disempowered individuals or groups to resort to conflict to regain their rights or address their concerns. These could range from geopolitical, socioeconomic and environmental to ideological factors, which often play together rather than acting as single driving factors of conflict (figure 31).

Figure 31. Complex web of interlinkages between conflict and empowerment



Some conflicts or wars are triggered by a combination of environmental, socioeconomic and political disempowerment where environmental abundance or scarcity have contributed to underlying causes of conflicts. Examples include conflicts over shared water resources in Lake Chad, over mineral resources in Sierra Leone, Congo and Liberia, or competition over shared fertile land in Nigeria and the Sudan.[70] In many of these cases, poor governance plays an important role, as governing elites use their power to control such resources for personal interest and benefit, while the general populations live in destitution and poverty. The violent conflicts that ensue are thus a result of prolonged unequal access to resources and power and largely disadvantaged communities who sought to regain their rights as well as their control over resources and power. Nevertheless, exclusive control of natural resources is not a sole driver of conflict, but rather weaves with other contextual factors, such as politics or religion. For example, Botswana enjoys general peace and social stability despite its rich diamond resources, mainly due to the absence of ethnic divisions that are common in other African countries. Scholars agree that essential components for peace and security go beyond mere equitable access to resources and encompass factors such as effective and accountable institutions, good governance, economic growth, and the protection of human rights, including minority rights.[71]

Similarly, conflict is not necessarily a direct and constant result of mere economic deprivation or poverty. This is illustrated by middle- and high-income areas that also suffer from conflict, such as Middle Eastern countries, Northern Ireland

and the Basque region of Spain, and poor areas that avoid conflict, such as Tanzania and Zambia. In cases where conflict over economic resources is involved, income is usually not the only determinant or impacting factor; also pertinent are access to employment and a variety of assets such as land ownership and education.[72] For instance, one of the economic drivers of conflict in Zimbabwe was the unequal access to land across diverse communities, whereas in Northern Ireland it was more related to discrimination in housing, employment and education between Catholics and Protestants. The Sudan's attack on Darfur has underlying dynamics of a richer group aiming to repress a poorer group and seize resources, while in Sri Lanka, the Tamil rebellion entailed a poorer minority group seeking geographic and political autonomy in their ethnic homeland. "Very few contemporary conflicts can be adequately captured as pure instances of 'resource wars' [...] Economic incentives have not been the only or even the primary causes of these conflicts".[73] Thus, more complex situations are usually involved and identifying such complexities and their interrelationships is essential to help design relevant policies to prevent conflict and its recurrence.

Evidence suggests that economic and social inequalities may provide the conditions that lead to dissatisfaction amongst the general population and consequently give rise to the possibilities of political mobilization. Yet, it is political exclusion in particular that is more likely to trigger conflict, by providing a powerful motive for group leaders to organize themselves and garner popular support.[74] At the core of such political movements are thus disempowered groups seeking for responsibility and leadership to be shared, and for opportunities to participate in decision-making to be secured.

Numerous conflicts throughout history have been initiated over socioeconomic and political reasons such as attempts to ensure fair and inclusive representation at the policymaking level, or to secure minority rights. Scholars argue that in institutional systems and structures with extreme and prolonged inequalities, conflict may result if meaningful and genuine opportunities for disadvantaged groups to influence decision-making processes are not made available.[75] In such cases, providing platforms for stakeholders to meet and express their opinions is not sufficient, unless they are also able through their participation to influence the policies and decisions made at national and local levels. If such conditions are not ensured, the disadvantaged may seek to gain power and exert greater influence over those who control access to key resources.[76] In such cases, disempowered individuals and groups would thus seek broader processes of social and political transformation and structural change.

Along these lines, in cases of prolonged economic or political disempowerment of certain groups, a critical factor that may trigger violent conflict is "grievance". The resentment felt by disempowered and politically excluded groups toward the conditions that they consider to be unfair may eventually create a strong motive to rebel against such conditions, especially in areas with weak governance and State legitimacy, or in the context of human rights abuses.[77] Some scholars have also observed that grievances may be utilized by rebel groups or militias to gain supporters and followers.[78] In areas of escalating political tensions and highly politicized conflicts, there may be two faces of empowerment, as rebels and political groups may seek to recruit youths and women who have already undergone capacity-building and leadership training in developmental projects, using these skills to

promote a violent political movement rather than for peacebuilding. For example, research has shown that the ideology of equality and rights reclamation promoted by Maoists in Nepal has led many young Bhutanese refugees to experience a sense of empowerment resulting from their recruitment to or association with the Maoists, as it gave them a direct platform and a public voice to address the constraining structural inequalities and the existing hierarchical power dynamics which they had been facing.[79] Rebels would thereby convince women and youth to join the movement by arguing that their rights can be achieved through dramatic political change alone.

Moreover, violent conflicts are often a vicious cycle that can breed further disempowerment by increasing people's vulnerability, disrupting livelihoods, freedom of movement, economic activity, local governance, and the provision of basic services.[80] This creates further fragility rather than resilience.

3. Contextual analysis of the Arab region

In the Arab region, several interconnected issues highlight the critical challenges of achieving sustainable peace, political stability and security, and have the potential to undermine progress on all the SDGs. At the economic level, the region overall is experiencing low socioeconomic development achievements with rising poverty rates,[81] decreasing national and foreign investments, rising inflation, and increasing unemployment, especially amongst the youth.[82] Reform in the business environment is the lowest in the world, due to widespread corruption as well as privileges rather than competition. According to Transparency International's 2016 Corruption Perceptions Index, 90 per cent of the Arab States received a failing grade, with five out of the ten most corrupt countries in the world being in the Arab region.[83] Corruption is often widely cited as a popular grievance amongst citizenry in the Arab States, thus creating further disempowerment and mistrust in the system and providing motivation for rebellion or conflict. The lack of good governance is also of particular concern, especially with regard to accountability in the public sector, which could limit the opportunities for broader socioeconomic and political reform.[84]

In terms of modernization and quality of life, the region consistently falls short of global benchmarks in several aspects. For instance, while access to basic necessities such as water, sanitation, electricity, and health has improved, this has often been at the expense of sustaining the natural resource base, with excessive consumption of water, increasing dependence on food imports and rising greenhouse gas emissions. Similarly, with regard to gender equality, the recent Global Gender Gap Report[85] has found the Middle East region to rate lowest in the overall GPI.[86] Women in the region hold fewer than 7 per cent of managerial positions in the four worst-performing countries, and the gender gap in political empowerment is the widest, with the four worst-performing countries being from the Arab region. This is despite research showing that societies that empower women are less prone to civil violence.[87]

Furthermore, rapid demographic growth and rising numbers of refugees and IDPs are further destabilizing the region's economies and are challenging affordable housing and decent livelihoods as well as wider political systems, social cohesion and tolerance. This is becoming especially problematic in countries such as

Algeria, Egypt, Lebanon, and Tunisia, which have been going through internal conflicts and struggles mostly led by dissatisfied youth. At the political level, institutional inaptitude and corruption, political instability and authoritarian regimes further exacerbate living and governing conditions in many Arab States.[88]

It has been widely argued that the recent social movements and revolts in the Arab region, especially at the start of the Arab uprisings in 2011, have been fueled by an amalgam of high unemployment rates, widespread inequalities and political systems marked by poor governance, institutional corruption and repressive and authoritarian regimes.[89] Scholars have observed that the failing social contract is mainly the result of historical grievances and prolonged conditions of exclusion and disempowerment, rather than a mere reaction to recent or current trends. For instance, at the cradle of the Arab uprisings, in Tunisia, the protest movements have been described as "the expression of deep psychosocial frustration caused by feelings of socio-economic exclusion and marginalization, particularly in under-developed zones of the Tunisian interior and border regions. The main demands of these protest movements concern employment and dignity. The strong demand for social justice—and consequently, redistribution of resources and incomes—places these movements in the historical process of unfinished 'Arab revolutions'".[90]

Taken all together, such accumulating complexities created disempowered citizenry and a general disillusionment and discontent that eventually turned into violent struggle. Evidence shows that the probability of political violence increases when economic structural transformation and productive modernization are too slow. The Arab uprisings of 2011 are a clear example of this. For instance, in Tunisia, the unemployment rate reached 13 per cent and was even higher among young people, at 30 per cent, despite GDP growth rates of 4.6 per cent in 2008 and 3 per cent in 2009. In Egypt, more than 16 per cent of the population lived below the poverty line in 2009, while Libya suffered from 17 per cent youth unemployment and 12 per cent inflation in 2009. Studies have shown that individuals whose income falls short of that predicted by their education level have a greater interest in civic engagement and participation in demonstrations and political campaigns.[91] These highly educated individuals may engage in civic affairs in order to demand effective political empowerment and more democratic and effective governance.

Against this backdrop, the calls for "justice, freedom and human dignity" which were chanted during the protests demonstrate the frustration of educated youths facing prolonged unemployment, who ultimately ended up rejecting the whole political system.[92] These youths underwent a strong social mobilization process to demand work, dignified living and an end to social, economic and political marginalization. Indeed, several scholars have argued that inherent in these calls was a demand for decent work and living conditions, gender equality, more participatory and representative political systems, a fairer economic system, and independent judiciaries.

Noteworthy are the multiple linkages of such slogans to the empowerment principle, especially in its socioeconomic and political dimensions. For example, the call for justice can be related to a rights-based view of fair employment and earning livelihoods; the call for freedom implies full and meaningful civic and political engagement as citizens, with decent work and living conditions; and the call for dignity may be understood in the sense that work leads to self-actualization and

personal and professional growth and achievement.[93] Such views are further supported by recent opinion polls conducted across the Arab region, which indicate that people's top priorities for governance comprise socioeconomic issues such as housing, jobs, welfare, social services, and education, followed by security and demands for increased freedoms and political representation.[94]

Accordingly, the socioeconomic dimensions and underlying power dynamics of State-society relations form important determinants of the mobilization of citizens and communities, and especially of the youth, in the Arab region. To take another example, the "You Stink" movement in Lebanon was triggered primarily by the Government's failure to manage a trash crisis and transformed soon afterwards into a popular protest targeting the corruption of the Lebanese political system. The movement eventually called for conducting new parliamentary elections, bringing down the sectarian regime and greater transparency and accountability from the Government, reflecting the complex and intertwined dimensions of disempowerment and conflict in Lebanon as well as other Arab States.

Political stability and inclusive socioeconomic development are strongly interconnected. Areas that undergo political unrest or conflict have been shown to experience reduced employment rates and foreign investment and an overall economic decline. As such, the revolutions and violent clashes and struggles in the Arab region, whilst in numerous cases being an outcome of such exacerbating conditions, have also caused further destabilization and fragility in the region. Current projections indicate that growth rates will be insufficient to address the rising unemployment rates in the region; sustained economic growth of 6 or 7 per cent on average per year is required in order to create nearly one hundred million jobs in the next twenty years to offset the arrival of new entrants into the market and absorb the currently unemployed. This may further disempower affected populations and debilitate living conditions as well as the relation between the State and society. Therefore, promoting peaceful and sustainable development is essential for transitioning out of conflict and for building resilience and growth, and represents an important path forward for the Arab region.[95]

4. Linking empowerment to peace and sustainable development

Empowerment is increasingly being emphasized as imperative for peace and sustainable development. Research and experience show that people who feel engaged and are provided with opportunities for participation are more likely to contribute to creating and building better societies and tend to experience a better quality of life and sense of well-being.[96] Promoting engagement by focusing on social equality and inclusion can enhance physical, emotional and mental health; strengthen social relationships; and enhance people's performance and work productivity.[97] In the long term, feelings of recognition, value, connection, and efficacy strengthen people's resilience to change and their agency to influence positive societal changes. Moreover, citizen participation in civic life through agenda setting, planning and decision-making at the national and community levels can foster a positive outlook toward their future and their ability to work together to manage challenges.

In conflict settings, the transition from a disempowered citizenry to one that is engaged and empowered can promote a more peaceful

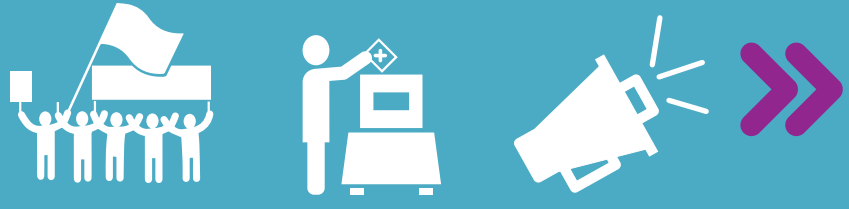
society. This requires the provision of favourable conditions for peacebuilding and of spaces for the meaningful participation of citizens and communities in the decisions, policies and actions that influence their everyday lives and future. Economic growth and poverty alleviation are essential, yet are insufficient as stand-alone policies for sustaining peace. Preventing conflict requires inclusive and long-term solutions through "dialogue, adapted macro-economic policies, institutional reform in core state functions, and redistributive policies".[98] It also requires that group grievances are recognized and addressed early to give disempowered groups incentives to resolve conflicts without violence. Furthermore, fostering the participation of young people, women and local communities in all aspects of peace, security and development is critical for ensuring the effectiveness of peacebuilding processes in conflict situations.[99] All of these factors can help build the resilience of societies in order to prevent conflict relapse and promote sustainable development. Numerous approaches and mechanisms have been suggested and employed for promoting socioeconomic and political empowerment. These are often dependent on the context of conflict, and whether the setting is post-conflict or in transition. These mechanisms have ranged from a combination of top-down and bottom-up approaches and from local community development processes to full-fledged political and governmental reforms at the national level.

D. Key messages

1	In the Arab region, several interconnected deficits highlight the critical challenge of achieving sustainable peace, political stability and security. These deficits also have the potential to undermine progress on all the SDGs.
Equality	
2	The consequences of the Arab Spring have brought inequality to the centre of recent discussions on the future of the region. Gender inequality continues to represent a critical challenge, and economic inequality remains a powerful predictor of conflict, high levels of inequality being conducive to violent conflict.
3	Inequality in the Arab region is observed at both intra- and cross-country levels; the skewness of income distribution in a number of countries is among the predictors of conflict and underdevelopment.
4	The conflicts in the region are linked to the desire to bringing an end to systematic inequalities, such as high levels of unemployment among youth and women and excessive military expenditures instead of inclusive, effective and efficient public services.

Inclusion	
5	The inability to bring about reforms that result in sustainable long-term inclusive socioeconomic development and to achieve social cohesion constitute the main reason why Governments in the Arab region continue to face significant challenges in peacefully transitioning out of conflict.
6	Inclusion guarantees equal access to economic and social services and socioeconomic opportunities, political representation and participation for the benefit of citizens without exclusion or favouritism. In the Arab region, this requires the formulation of human rights-based laws, enshrined in new or adapted social contracts/constitutions that are inclusive and that do not leave anyone behind.
7	The need to create job opportunities for youth is imperative. For young people in some Arab countries, unemployment means exclusion and alienation. It represents one of the main reasons for youths to resort to violence.
Empowerment	
8	The failing social contract in the Arab region is mainly the result of unaddressed historical grievances and prolonged conditions of exclusion and disempowerment. Hence, socioeconomically and politically empowering diverse segments of society – including the most disadvantaged communities – is necessary for fulfilling the human development potential and preventing violent conflict. Empowerment also contributes to the creation of more informed and sound governance.
9	Management of economic, social and environmental policies and their institutional underpinnings in the Arab region have not adequately prioritized questions of social justice, empowerment and equitable resource allocation and redistribution.

4 Coercion and civic attitude



4. Coercion and civic attitudes

The erosion of legitimacy and the questioning of developmental models following the period of decolonization and independence have put pressure on Governments in the Arab region to redefine State institutions and their relationships with citizens. In many Arab countries today, coercive State measures undermine the ability of individuals to cooperate freely, and to experiment with organizational forms to partake in public affairs. This has led to political exclusion that increased the intensity of grievances and, in some extreme cases, provided strong incentives for radicalization and the use of violence. Coercion negatively impacted interpersonal trust, which is in continuous decline in most Arab countries.

To understand the potential roles of civil society in conflict prevention, it is important to understand the components of social capital and civic engagement in the region. Social capital plays an important role in socioeconomic development, and thereby in the prevention of conflict. A central element of the concept of social capital is interpersonal trust. No less important is the engagement of citizens in their communities. Civic engagement goes beyond the leveraging of social networks to build organizations. Civic engagement and participation include the willingness of citizens to engage in political life, by such practices as voting, participation in protests, taking part in public meetings to discuss a matter of public concern, signing petitions; and using violence or force for a political cause. Analysing elements such as educational attainment, GDP growth, politics of coercion, and interpersonal trust, this chapter provides policy options to understand the potential roles of civil society in conflict prevention.

A growing body of literature on the political economy of conflict elucidates the mechanisms by which political and economic exclusion drive violent conflict.[100] While income inequalities (vertical) within societies add to perceptions of injustice, it is the horizontal, relative deprivation of groups vis-à-vis others that facilitates the organization of groups to challenge State monopolies over violence.[101] Repression is a particularly salient means by which exclusion is maintained, in terms of the actions taken by a Government that raise the costs of disagreeing with the regime in power.[102] These measures often constitute human rights violations, including torture, forced disappearance or the violation of privacy and private property.

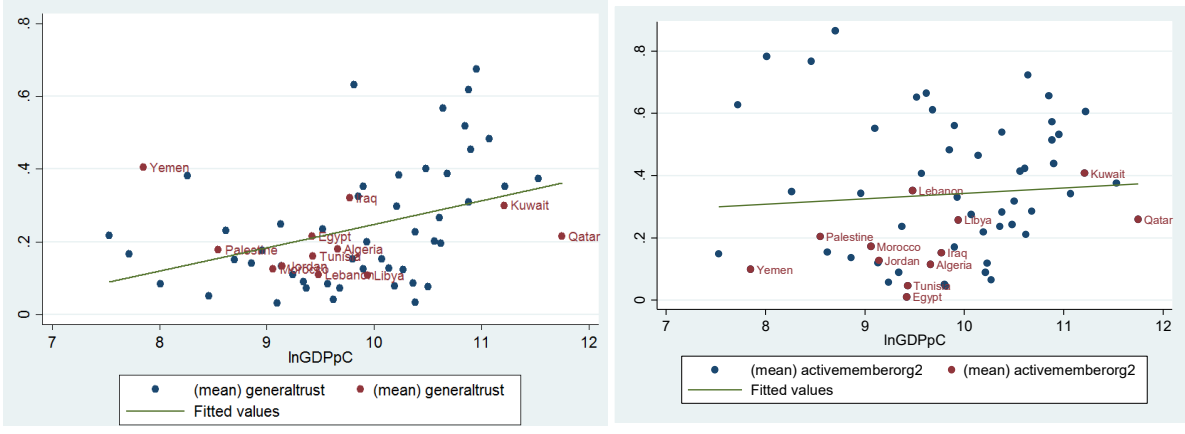
Such repression by a Government or its agents increases the intensity of grievances within a population, which, in turn, increases the risk of violent conflict. For example, the higher violent coercion and physical repression against the population increases the more intense the risk of terrorist violence.[103] More generally, countries in which authorities violate human rights and engage in practices such as torture, forced disappearance and extrajudicial killings exhibit a higher likelihood of experiencing violent conflict.[104] States that repress their citizens are more likely to face violent dissent, which, in turn, increases the incumbent regime's incentives to violently repress challengers and increases the risk of civil war.[105]

Political exclusion – the prevention of participation in the formation of political will, enforced by repressive means – provides strong incentives for the use of violence, by creating the perception that "there is no viable alternative for expressing grievances and frustration".[106] The tactics and activities of the State to prevent conflict play an important role in mitigating or fuelling citizens' perceptions of exclusion. Measures such as police coercion, curtailing freedom of expression or excessive surveillance by secret services are direct points of contact between States and citizens. They impact civic attitudes and alter the way citizens carry out their social and economic interactions, such as through their degree of social trust, tolerance or their civic participation in voluntary associations. Security policies, hence, shape the way citizens interact with each other[107] and influence their perceptions of what the duties and responsibilities of the State should be.[108]

Exploring the relationship between State coercion and social capital in the Arab region helps instigate new thinking on effective strategies to prevent conflict. Social capital plays an important role in socioeconomic development and, thereby, in the prevention of conflict. An important body of scholarly work has attributed the persistence of differences in economic development to social capital, defined as the connections among individuals, and the norms of reciprocity and trustworthiness that arise from these connections.[109] Research on social capital studies how social constructs impact the productivity of individuals and groups, being stronger when embedded in a dense network of reciprocal social relations.[110] Spending time in associations and investing in social cooperation make it possible for individuals to update their beliefs about the true cooperative nature of the society.

The central element of the concept of social capital refers to interpersonal trust. As figure 32 shows, the richest countries in the world exhibit the highest levels of trust and active memberships in clubs or organizations, while the opposite holds for the least wealthy. Kenneth Arrow developed an important intuition for why trust is important, stating that, "virtually every commercial transaction has within itself an element of trust, certainly any transaction conducted over a period of time. It can be plausibly argued that much of the economic backwardness in the world can be explained by the lack of mutual confidence".[111] For complex contracts and economic exchanges, it is simply impossible to enforce every detail based on third party intervention. In the absence of informal rules such as trust, economic exchanges are forgone and resources misallocated. That way, the lack of trust explains collaborative behaviour in political and economic exchanges and, ultimately, variation in economic development.

Figure 32. Average level of general trust (*natural logarithm of GDP per capita*) (*left*); average share of individuals participating in clubs or organizations, by country (*natural logarithm of GDP per capita*) (*right*)



Note: The active membership is calculated based on questions V25 to V35 of the WVS Wave 6 data set. We code an individual as active when she/he reports to be an active member. We exclude membership in political parties (V29).

Studies have shown that this relationship between trust and economic growth is causal, estimating that African countries would exhibit a five-fold increase in GDP per capita if they had the same level of inherited social capital as Sweden.[112] Several important mechanisms connecting these measures with economic development,[113] for example, show that individuals who trust more have a higher probability of becoming entrepreneurs and innovators. Other effects of trust include lower crime rates, better public services, higher educational attainment, in turn leading to higher investment rates, and a higher degree of the rule of law as an essential prerequisite for economic development.[114]

These attitudes are acquired via two mechanisms. First, they are inherited and shaped by historic shocks as the underlying values and beliefs are transmitted in families over generations.[115] Individual distrust, however, is not set in stone. In a second mechanism, attitudes are partly shaped by the immediate external environment, can change relatively quickly and, therefore, leave room for policy interventions.[116] It, therefore, becomes imperative to understand the drivers of individual trust as well as other civic attitudes and governmental regulation and intervention in order to derive policy options to prevent conflict and meet developmental goals.[117] As issues related to security, stability and counterterrorism became both regional and international priorities in response to ongoing conflicts,[118] the impact of State coercion on social capital and civic attitudes warrants scrutiny.

A. Data

Since exclusion is based on individual perceptions,[119] this analysis leverages survey data to measure the core concepts under investigation. It uses the latest available data for each phenomenon from three sources. First, it analyses the Arab Barometer Wave V, conducted in 2019 in a sample of 12 Arab countries. The survey offers the latest insights into the attitudes of citizens toward their Governments and administrative institutions, and into their civic engagement, trust levels and other variables.[120] To indicate changes over time, this view is complemented with data from the Arab Barometer Wave III, conducted in 2013. Second, the chapter uses surveys from the World Value Survey Wave 6, which covers 60 countries worldwide, 12 of them in the Arab region. The survey provides standardized perception surveys on a range of indicators regarding the attitudes of citizens toward the security policies of their Governments. Macroeconomic data is collected from the World Bank's World Development Indicators.

B. Trust patterns in Arab countries

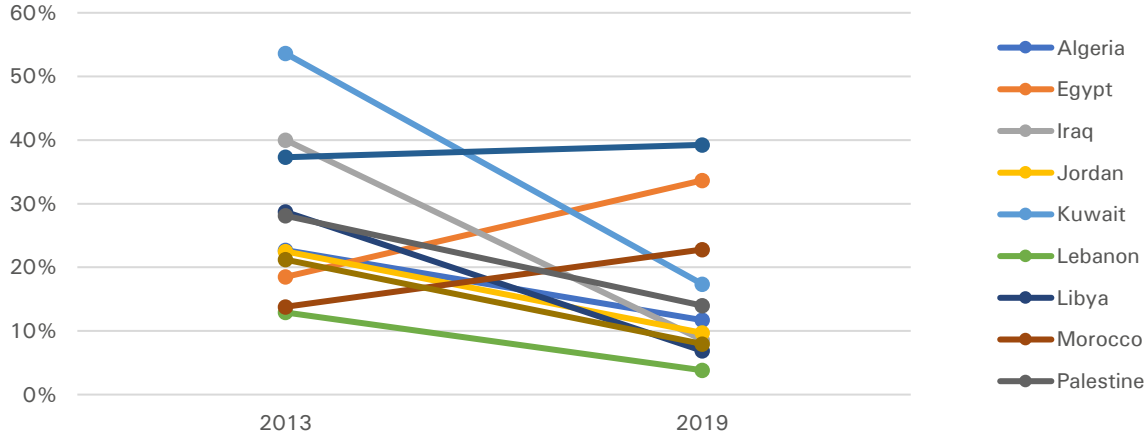
Compared to the world average of 24 per cent, general trust levels in many Arab countries are among the lowest in the world. Within the region, Yemen (39 per cent) and Egypt (34 per cent) exhibit the highest levels of interpersonal trust, while Lebanon (4 per cent), Libya (7 per cent), and Tunisia (8 per cent) show the lowest degrees of general trust (figure 33).

Interpersonal trust has been in decline in almost all countries surveyed. Following the events that unfolded during the 2011 Arab uprisings, prolonged periods of institutional degradation and increasing reliance on security measures appear to have had a significant impact on the way individual members of society interact.[121] The most significant drop in trust has been recorded in Iraq, where interpersonal trust declined by two thirds from 40 per cent in 2013 to 9 per cent in 2019. Kuwait also witnessed a rapid decline, with its interpersonal trust levels more than halving from 54 per cent in 2014 to 17 per cent in 2019. Only in Egypt and Morocco did trust levels increase relatively, to 34 per cent and 23 per cent, respectively, while it remained about the same in Yemen. In light of increased insecurity from regional conflict spillover, particularly in Egypt, this seemingly paradoxical development might be explained by the high level of trust between citizens based on personal relations, which is built on a strong sense of solidarity rooted in traditional patterns of interaction.[122] As the formation of voluntary organizations remains highly restricted, these patterns are mostly informal in nature and reflect the need for alternative social support systems.

Disaggregating trust levels by age and education reveals high variation across groups (figure 34). In most countries of the region, younger generations tend to trust less than older generations. In Morocco, the difference in trust levels between younger and older age groups is as wide as 27 per cent. Only in the Sudan were the trust levels of older generations (5 per cent) lower than those of younger ones (18 per cent), while in Lebanon, all age groups hover around the regional low of 3-4 per cent.

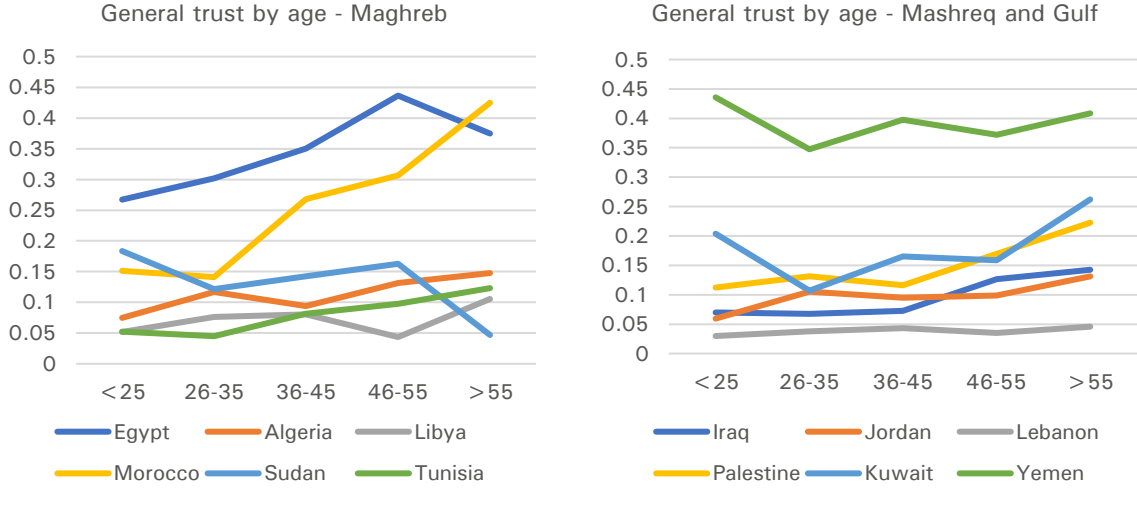
Similarly, higher-educated groups tend to report lower levels of trust (figure 35). In Morocco, this difference is as large as 10 percentage points, as individuals with no formal education report a trust level of 37 per cent, while those with a master's degree or higher report only 17 per cent. In Algeria, trust levels drop from 23 per cent in the group of no formal education to 7 per cent in the master's or higher group. The corresponding drop in Kuwait amounts to 26 percentage points, from 33 per cent to 7 per cent. Jordan, Lebanon and Libya exhibit rather minimal variation among education groups.

Figure 33. Evolution of general trust levels in Arab countries, 2013-2019



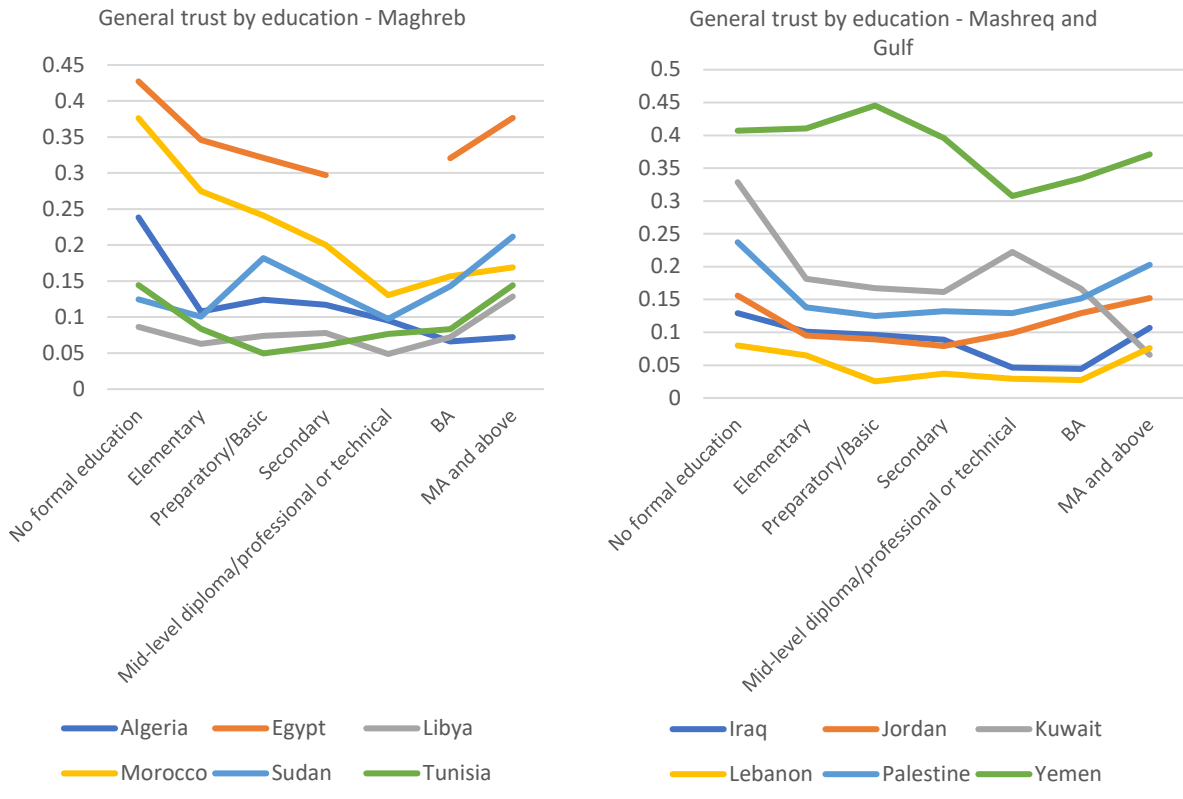
Sources: Arab Barometer Waves III and V.

Figure 34. General trust levels in Arab countries, by age and region, 2019



Source: Arab Barometer Wave V.

Figure 35. General trust levels in Arab countries, by education and region, 2019

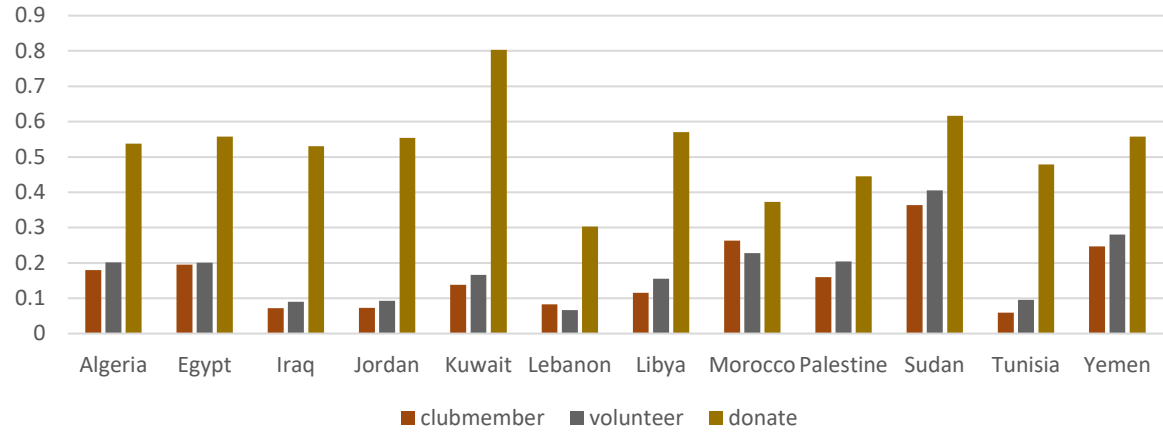


Source: Arab Barometer Wave V.

C. Civic engagement and violence

An important aspect of social capital is the engagement of citizens in their communities. Civic engagement may be defined as "individual and collective actions designed to identify and address issues of public concern".[123] Per this definition, civic engagement takes many forms, such as individual volunteerism, voicing demands in protests and petitions, or membership in clubs and other organizations. Civic engagement is a crucial determinant for democratic governance, as such organizations serve to interact with the institutions of the State to address public problems. Volunteerism and membership in organizations to cooperate with other members of society are essential to translate private demands into public ones and to build trust beyond the immediate family or clan circle. Overly coercive State activity, such as excessively surveilling extant organizations or arbitrarily violating the privacy of individuals, can make people refrain from partaking in such activities and view such organizations with suspicion and mistrust.[124]

Figure 36. Proportion of individuals engaged in civic activities in Arab countries, 2019



Source: Arab Barometer Wave V.
Note: The values reported here are different from those reported in the World Values Surveys due to a different way to ask the corresponding questions. While the Arab Barometer asks the question in a general way and does not specify the type of organization, the World Values Surveys specify the questions for each type of organization. That way, the questionnaire elicits a higher degree of association to specific organizations, which renders the two surveys incomparable for this question.

Civic engagement is generally low in Arab countries and focuses on donations, such as the *Zakat*, rather than active participation in clubs and initiatives, or volunteering activities (figure 36). Only in the Sudan and Yemen did more than 20 per cent of individuals report being volunteers or members of clubs. Participation rates were particularly low in Iraq (7 per cent), Jordan (7 per cent), Lebanon (8 per cent), and Tunisia (6 per cent). In light of recent protests against the dominant governance models in Lebanon and Iraq, in particular, these numbers reflect the challenge of presenting alternative sets of institutions and organizations that could supplement or supplant extant institutions and improve governance.

Civic engagement, however, goes beyond the leverage of social networks to build organizations. Civic engagement and participation include the willingness of citizens to engage in political life, such as voting, participating in protests, taking part in public meetings to discuss a matter or subject of public concern, to sign petitions, and to use violence or force for a political cause. Such political engagement varies significantly among Arab countries (figure 37). In terms of participation in protests and meetings, the State of Palestine, the Sudan and Yemen exhibit the highest degree of political engagement, whereby in each around 30 per cent of individuals have participated in such events at least once in the past three years. These results are likely driven by ongoing political instability and occupation, including the high numbers of individuals that use force or violence for a political cause, ranking between 12 per cent in the State of Palestine and 20 per cent in Yemen.

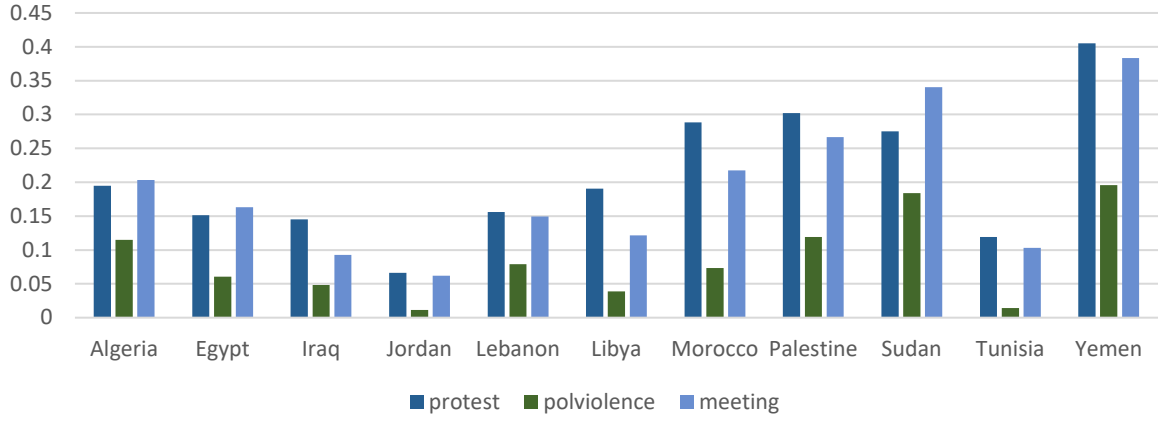
Other countries generally exhibit much lower rates of political engagement. Voter turnout in parliamentary elections in Egypt and Tunisia, for example, decreased to around 40 per cent in

2019. In Jordan, asked before the wave of mass protests that erupted in the spring of 2019, only 6 per cent of respondents reported having participated in protests or meetings, while in Tunisia, the equivalent figure was 10 per cent. In Lebanon, political engagement correlates more closely with force or violence, in that 8 per cent of respondents reported having used violence at least once over the past three years, while only 15 per cent reported having participated in protests. Amid the ongoing conflicts in the region, these low participation rates in political activities reflect the broad lack of confidence in governmental institutions and democratic formation of political will.

The propensity of citizens to leverage violent means for a political cause also exhibits important and significant variation across age groups and educational attainment (figure 38). The Arab Barometer Wave V includes a question that directly relates to individuals' involvement in violence, asking, "During the past three years, did you use force or violence for a political cause?" While younger cohorts are generally more likely to answer in the affirmative, some countries exhibit very little variation. In Egypt and Jordan, the use of violence was roughly equal among all age groups. In Lebanon, Morocco, the State of Palestine, the Sudan, and Yemen, by contrast, the decline in the use of violence from younger to older generations was as much as 50 per cent.

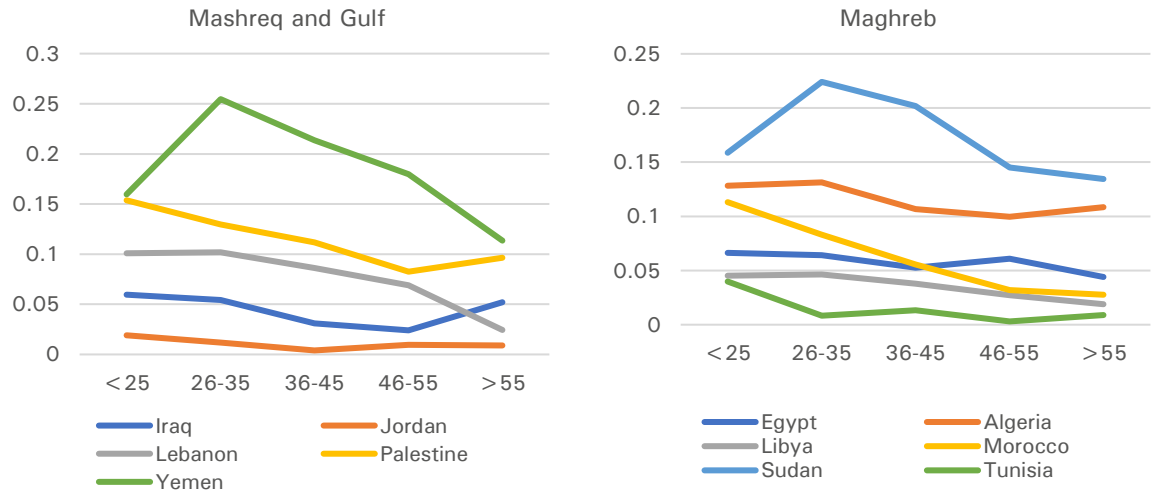
Crucially, educational attainment appears to correlate in most of the countries surveyed with individuals' propensity to use violence. In Egypt, Lebanon, the State of Palestine, and Yemen, individuals with a higher education were more likely to engage in violence. In the State of Palestine and Yemen, as many as 25 per cent of respondents holding a masters' degree or higher reported to have used violence for a political cause, which corresponds with the ubiquitous nature of violence induced by occupation and pervasive violent conflict. In Algeria and Morocco, two countries without open violent conflicts at the time of the surveys, as many as 10 per cent of individuals holding at least a masters' degree had made use of force or violence. In Lebanon, this figure reached 18 per cent of respondents.

Figure 37. Proportion of individuals engaged in political activities in Arab countries, 2019



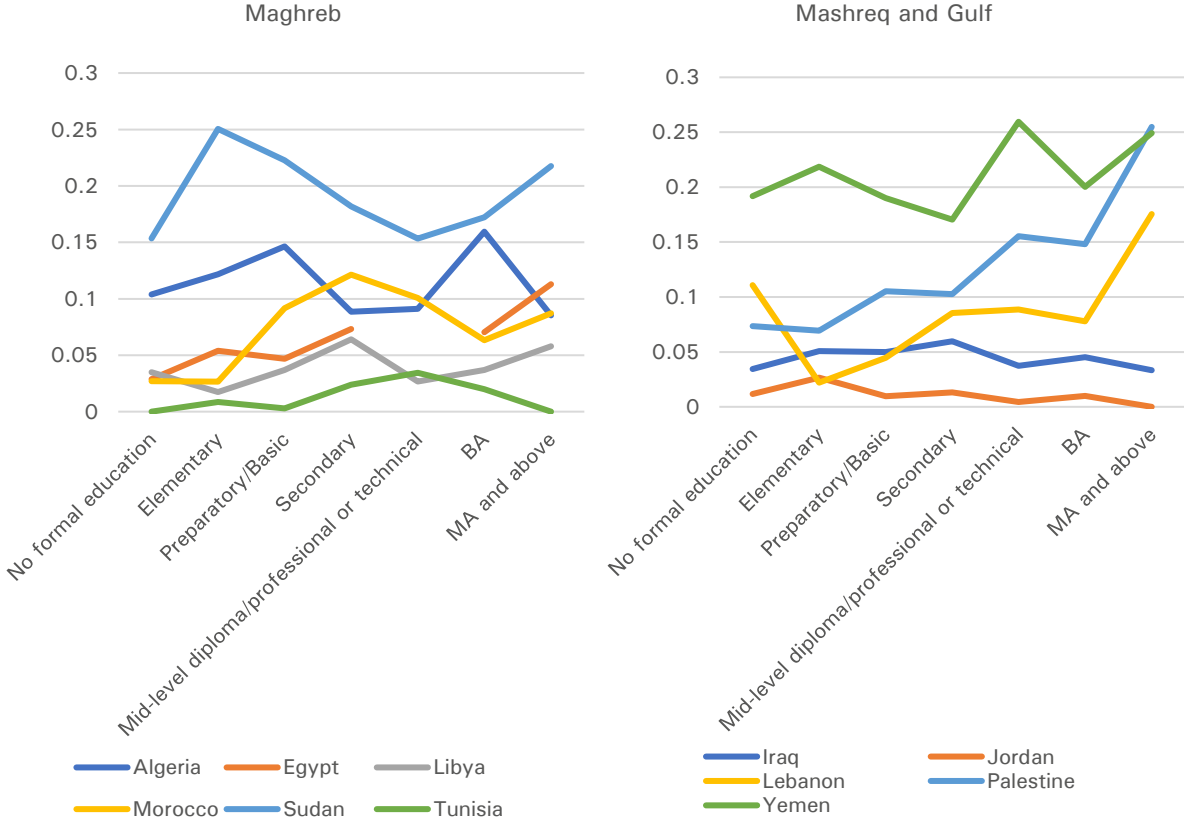
Source: Arab Barometer Wave V.

Figure 38. Proportion of individuals who used violence or force for a political cause, by age and region, 2019



Source: Arab Barometer Wave V.

Figure 39. Proportion of individuals who used violence or force for a political cause, by education and region, 2019



Source: Arab Barometer Wave V.

These numbers point not only to the lack of decent employment opportunities for highly educated individuals,[125] which contributes to frustration and seems to increase individuals' propensity to use violence. They also likely reflect dissatisfaction with prevalent models of governance, which more highly educated individuals tend to perceive as irresponsive to individual needs. As the events of the uprisings that started in 2011 have attracted significant scholarship uncovering the repercussions of exclusive institutions and governance deficits, addressing these persistent governance challenges must be a priority to sustain peace.

D. Coercion and civic attitudes

The extent to which Governments rely on measures of coercion in their security policies impacts trust and civic engagement. Overly coercive measures have detrimental effects on economic development as well as civic attitudes and interpersonal trust. Coercive and authoritarian policies deteriorate social capital via two channels.[126] First, they make individuals more narrowly self-interested and inclined to wait for externally imposed inducement of sanctions before voluntarily contributing to collective action. This reduces the propensity of individuals to organize themselves, which, in turn, undermines the development of social cohesion. Second, coercive policies prevent citizens from experimenting with solutions to public concerns and learning from such experimentation over time. As a result, under such systems, membership of organizations, volunteerism, civic participation, and other forms of collective action remain underdeveloped.

In the context of this report, coercion is measured via two questions asked in the World Values Surveys. The first relates to the role of the police and military: "How frequently do the following things occur in your neighbourhood: Police or military interference with people's private lives." The second concerns the degree to which people are worried about State agencies' surveillance of private communication: "To what degree are you worried about the following situations: Government wire-tapping or reading my mail or email".

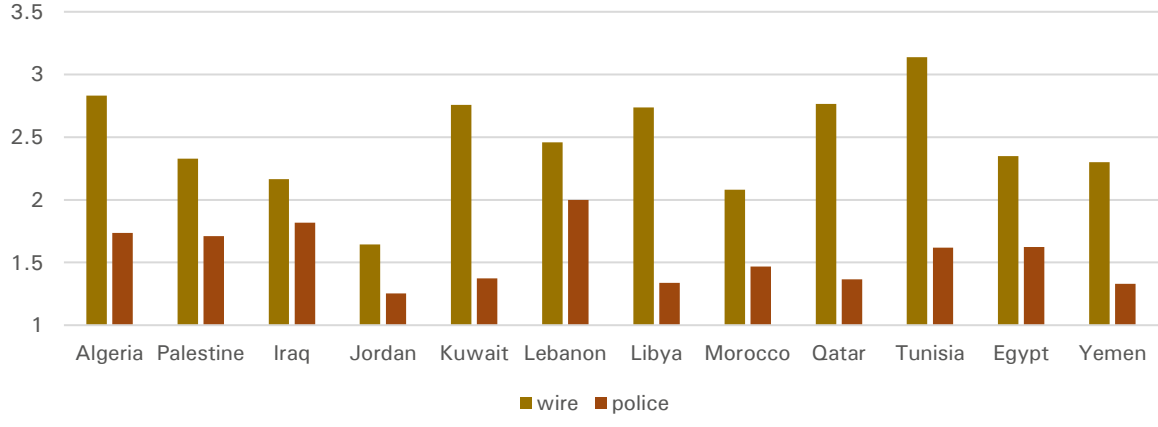
Even before the violent developments in the Arab region post-2011, several Arab countries featured security regimes perceived by citizens as among the most coercive worldwide.[127] Many citizens are particularly worried about the Government surveilling private communication, an indication of the extent to which citizens trust their State's security institutions. Answers to this question range from (1) "not at all worried" to (4) "very much". In Algeria, Kuwait, Libya, Qatar, and Tunisia, the average respondent reported that they were worried "a good deal" about the Government tapping their phones and emails (figure 40). Only Jordanian and Moroccan citizens were on average "not much" worried about the privacy of their communication.

The second question pertains to personal observations rather than perceptions. The extent to which the police or military interfere in private affairs reflects threats of physical coercion and contributes toward a general perception of insecurity vis-à-vis arbitrary State interference. Answers in this regard ranged from (1) "not at all frequently" to (4) "very frequently". Citizens in several countries

reported occasional police interference in citizens' private lives (figure 40). These observations were particularly pronounced in Algeria, Iraq, Lebanon, and the State of Palestine. Jordanians and Qataris as well as Libyans and Yemenis reported lower levels of interference. While the lower levels of the former two countries reflect a generally better security situation, the latter two likely reflect the depleted capacities of the police and military in light of the ongoing conflicts in these countries.

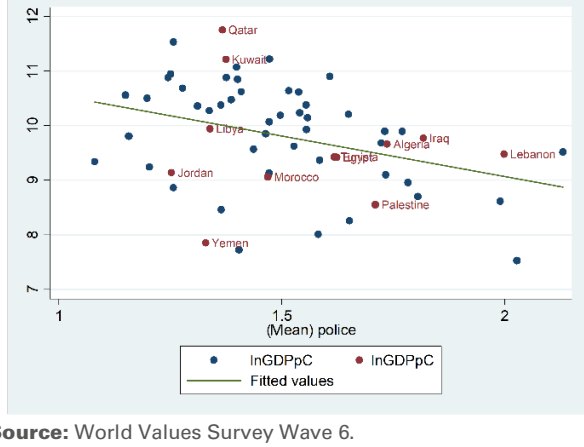
Comparing countries, it may be observed that those in which citizens are exposed to a more coercive security apparatus exhibit lower GDP per capita (figure 41). Citizens in Algeria, Iraq, Lebanon, and the State of Palestine report among the highest rates of police and military intervention in private affairs. Similarly, Algeria, Kuwait, Libya, Qatar, and Tunisia are among the countries in which citizens worry most about Governments surveilling private communication.

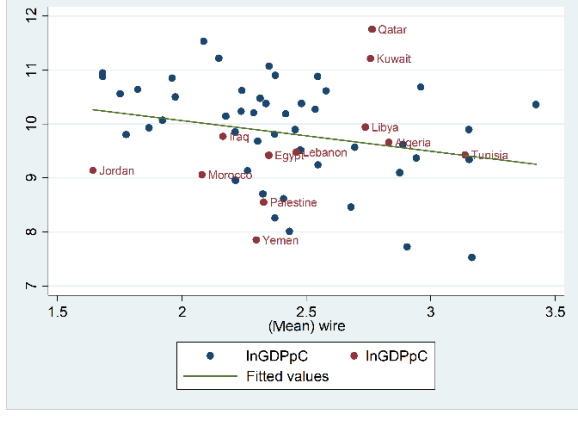
Figure 40. Average level of concern about security measures by country, 2011-2013



Source: World Values Survey Wave 6.

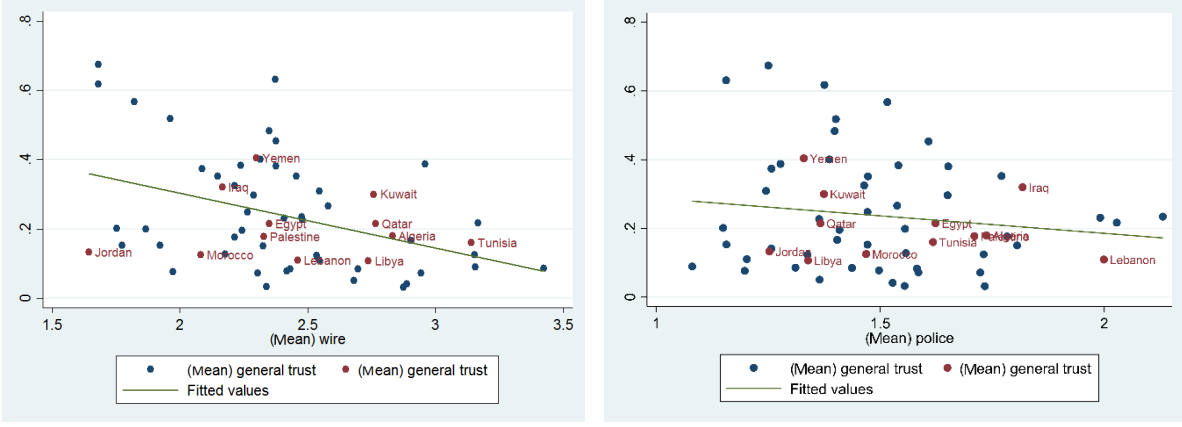
Figure 41. Relationship between average level of concerns about security and natural logarithm of GDP per capita worldwide





Source: World Values Survey Wave 6.

Figure 42. Association between coercive measures and levels of general trust, worldwide



Source: World Values Survey Wave 6.

As discussed above, an important mechanism by which coercion impacts economic development is a decline in general interpersonal trust among individuals.[128] To the extent that State institutions create an atmosphere of fear and informing on others, people are generally less prone to trust one other. As figure 42 indicates, countries that practice a higher degree of coercion tend to exhibit lower levels of generalized trust. Given the nature of recent developments in the realms of security policies and the generally declining levels of trust in region, the impact of coercive policies on trust in Arab countries is likely to have risen in recent years.

Many Arab countries today, the dense networks of State security and surveillance in the form of coercive measures undermine the ability of individuals to cooperate freely, to experiment with organizational forms to address problems of public concern and to update their beliefs about the trustworthiness of other members of society. These trends risk increasing perceptions of political exclusion and, thereby, the likelihood of violent conflict. In order to prevent conflict and ensure the achievement of developmental goals, it is important for Governments to review their security policies. However, the departure from closed group interactions and the enlargement of exchanges with anonymous others is a crucial prerequisite for the successful development of market economies.[129] Given the long-term impact on individual behaviour and social capital, which will be difficult to reverse, limiting the detrimental impact of coercive security policies on social capital becomes a crucial necessity in the formulation of security policies.

Institutional and organizational failure is more likely in regions previously ruled by authoritarian Governments.[130] In these regions, individuals tend to distrust other members of society, exhibit norms of limited morality and retain weak institutions, because "adverse cultural traits make citizens more tolerant of ineffective government".[131] Amid heightened concerns about security all over the region, excessively coercive security policies might, therefore, not only fail to achieve their intended

goals by instigating further violence directly, but they might also impact the very fabric of society, affecting the long-term developmental trajectory of the nation, and making the country prone to further violence in the future.

In the short term, Governments should review their security policies to make them more effective and more likely to achieve their countries' security and developmental goals. Moreover, Governments should encourage the organization of citizens in clubs and other forms of collective action to address problems of public concern, such as public service delivery, culture, or sports. In the long term, Governments must encourage the emergence of institutions that lower the cost of impersonal exchange by, for example, facilitating the enforcement of contracts and abiding by independent judiciaries. Such reforms are a central prerequisite for increasing social capital in order to meet security goals alongside development targets.

Box 3. The COVID-19 pandemic in the Arab region: systems, institutions and governance

The COVID-19 pandemic exacerbates existing institutional deficiencies. The socioeconomic consequences of COVID-19 have compounded existing challenges and threats to number of States in the region. The pandemic has laid bare structural weaknesses in institutions at the national and regional levels. Its economic effects will most likely unleash further contraction even as the health threats recede, especially hitting the most vulnerable groups in the region, the poor, the working poor, women, and others. Beside those areas where the health infrastructure is weak and lacks sanitation and water, populations living in areas affected by protracted humanitarian crises and conflict, in which millions of people migrants and refugees are on the move, are suffering the most. Self-quarantine and social distancing are not feasible options for these categories of population. Daily wage workers have lost their livelihoods due to the confinement and the closure of the economy.

As a result of all these compounded factors and the socioeconomic impacts of the COVID-19 pandemic, Arab States will most likely face severe challenges in the coming decade and, as a result, have a high degree of risk when it comes to political instability, due, in large part, to systemic socioeconomic inequalities, exclusion and people's disenfranchisement, which have been exacerbated by the current pandemic.

The unprecedented threat posed by the pandemic calls for an unprecedented effort and solidarity to build an effective global response. $6.7 billion are needed globally, one third of which is for the Arab region. The destructive dynamics of conflict situations compound risk factors for the emergence and transmission of infectious diseases and disrupt systemic capacity to manage outbreaks. In this already challenging context, ensuring continuity of aid delivery requires more funds and is essential to protect those more vulnerable to the pandemic. Humanitarian aid delivery in the Arab region is confronted with the additional challenges brought by COVID-19.

Economic repercussions of COVID-19 mitigation measures will disproportionately affect displaced populations and host communities, who already suffer from pronounced unemployment and economic insecurity. Refugees living in neighbouring Arab countries are especially vulnerable to poverty and insecurity. As measures taken to curb the spread of COVID-19 have led to the shutdown of businesses and many informal economic activities (where displaced populations primarily find work), displaced populations will be increasingly unable to secure their livelihoods. Displaced populations, particularly those residing in urban environments outside the network of humanitarian assistance, have limited access to employment opportunities, thereby compounding poverty and undermining resilience.

Arab countries hosting large displaced populations have already experienced increased pressure on local labour markets, while internally displaced persons struggle to access employment opportunities due to their exclusion from local social networks and the saturation of labour markets in densely populated areas. The increasing strain on local economies and labour markets by lockdown measures highlights the importance of providing financial assistance to local communities hosting large populations of displaced individuals in order to mitigate social tensions and maintain stability. When the COVID-19 crisis started, the Palestinian economy was at the verge of going into recession. The State of Palestine was witnessing a major fiscal crisis and humanitarian funding continued its decrease. Gaza has been hit the hardest, with 43 per cent hyper unemployment in the fourth quarter of 2019, a 53 per cent poverty rate in 2017 – expected to have increased by 2019, and 62 per cent of households that are food insecure.

After years of conflict, compounded by the devastating socioeconomic consequences of the COVID-19 pandemic, millions of lives remain at risk and in a precarious situation throughout the Arab region. The first building bloc of an effective response is the cessation of hostilities that will allow humanitarian actors to assist people in need and open the opportunity for sustaining peace. The urgent actions required to address the pandemic present the opportunity to rethink the social contract underpinning citizen-State relations and build back better with more inclusive, participatory and sustainable societies across the region.

E. Key messages

1	Following the events that unfolded during the 2011 Arab uprisings, increased reliance on security measures combined with long-standing institutional degradation appear to have had a significant impact on the way societal groups interact.
2	In many Arab countries today, coercive State measures undermine the ability of individuals to cooperate freely and to experiment with organizational forms to address problems of public concern. This has led to political exclusion that has increased the intensity of grievances and, in some extreme cases, provided strong incentives for radicalization and the use of violence.
3	Overly coercive measures seem to have increased and to have had detrimental effects on civic attitudes. Civic engagement has been generally low in Arab countries as is manifested in poor participation in political life, including forming and belonging to political parties (especially opposition parties), voting, participation in protests, signing petitions, and taking part in public debates and conversations.
4	These coercive measures have also negatively impacted interpersonal trust, which has been in decline in most Arab countries and is generally lower than in the rest of the world.

5 Conclusion

> Poverty anywhere constitutes a danger to prosperity everywhere.

Prof. Alston Philip

5. Conclusion

'The war against want requires to be carried on with unrelenting vigor within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.'[132]

On the part of the international economic institutions, concerns are now being expressed about the fraying of the social fabric, the weakening of trust in institutions, the threat to justice, macroeconomic instability, suboptimal use of human resources, and even the risks of capture of the economic and political systems. But such statements rarely ever mention human rights specifically, and when surrogate references are made to concerns such as those I just mentioned, it is to point to the potential negative consequences of extreme inequality for economic growth. Their analyses never lead to the suggestion that greater respect for human rights might be a crucial part of the solution".

Statement by Prof. Alston Philip, Special Rapporteur on extreme poverty and human rights, at the 29th session of the Human Rights Council, June 22, 2015

As shown in this report, conflicts are more often than not the result of socioeconomic grievances and unaddressed legitimate demands to end structural inequalities. The feeling that social expectations cannot be met is a source of dissatisfaction, protests and, ultimately, violence. In the Arab region especially, the spread of mass protests and the upsurge of violence since 2011 have been largely due to entrenched issues related to poor governance, the growing feeling, among large segments of the population, of exclusion, disempowerment and social injustice. These challenges took the tangible forms of weakening employment prospects and high rates of unemployment among the youth in particular, stagnating real wages, widening income disparities, feelings of insecurity exacerbated by sluggish economic growth, and a deepening awareness of different political and economic realities elsewhere in the world. Thus, introducing governance reforms, redressing the economy, providing effective social services, and economic opportunities, coupled with efforts towards more equality and

inclusion for all segments of the population are essential components of conflict prevention and peacebuilding strategies in the region. In sum, it is all about human security.

In a context of increasing global geopolitical and regional tensions and unstable political and socioeconomic dynamics, the 2030 Agenda could not come at a more crucial and critical juncture for the Arab region, as much of the hopes to achieve the SDGs rest on how member States, the United Nations system and global actors advance on collective peace. The level of impact of conflict and crisis among the countries of the Arab region has reached extremely dangerous proportions, while being heterogeneous and asymmetric. The structural conditions and institutional setups, while they vary from one country to another, share common structural weaknesses, which, in turn, limit their capacities to deal with the situations of instability, crisis and conflict. The current escalating COVID-19 pandemic is a case in point, as it has laid bare these structural weaknesses in public institutions at the national, regional and global levels.

All told, Arab States will most likely continue to face severe challenges in the coming decade and, as a result, have a high degree of risk when it comes to political and economic instability. These risks are less distant in the future than they seem since all risks are directly linked to existing problems. To indefinitely postpone governance reforms, and avoid strengthening institutional accountability and effectiveness as well as the principles of the rule of law would negatively affect development trajectories and jettison the immense potentialities of the region. Political and socioeconomic reforms can be turned into momentum for positive change. Climate change, shared security challenges and economic integration at the regional level could serve as bases for more cooperation, which, in turn, could generate and reestablish trust, both nationally and regionally. Risk awareness is of paramount importance for conflict prevention.

Box 4. United Nations Secretary-General Antonio Guterres on Demonstrations around the World, New York, October 25, 2019

"We are witnessing a wave of demonstrations around the world, from the Middle East to Latin America and the Caribbean from Europe to Africa and Asia. Disquiet in peoples' lives is leading to anything but quiet in streets and city squares. Every situation is unique. Some protests are triggered by economic issues – including rising prices, persistent inequality or financial systems that benefit elites. Others stem from political demands. And in some cases, people are reacting to corruption or different forms of discrimination.

Yet there are commonalities that span the continents – and that should force all of us to reflect and respond. We need to think about the underlying factors. It is clear that there is a growing deficit of trust between people and political establishments, and rising threats to the social contract. The world is also wrestling with the negative impacts of globalization and new technologies, which have increased inequalities within societies.

Even where people are not protesting, they are hurting and want to be heard. People want a level playing field – including social, economic and financial systems that work for all. They want their human rights respected, and a say in the decisions that affect their lives."

Source: The full transcript of press encounter is available at https://unscol.unmissions.org/un-secretary-general-antonio-guterres-demonstrations-around-world.

Structural governance deficiencies and the resulting conflicts have been major obstacles to achieving sustainable and inclusive development in the Arab region, as these negative trends continue to represent stumbling blocks for the realization of the 2030 Agenda. Violent conflict and political unrest have halted or reversed the development progress made in previous decades in many countries of the Arab region. Violent conflict impacts all aspects of development by increasing poverty, hunger and malnutrition, limiting access to education and other basic services and exacerbating social discrimination, exclusion and increased mistrust between citizens and State. These immediate effects have severe long-term consequences for human development, creating vicious poverty traps and increasing inequalities across populations both directly and indirectly affected by conflict, in addition to regional spillovers and negative generational life-cycle impacts.

Moreover, violent conflict has disproportionate effects on the poorest and most vulnerable groups in society and erupts more frequently in the low-income and middle-income countries of the Arab region. For the countries and communities suffering the most, the effects of violent conflict are compounded by the fact that long-term sustainable development objectives must be addressed alongside urgent and short- and medium-term humanitarian priorities. Thus, peace and progress in the different dimensions of SDGs are critical to restoring trust in the Government and public institutions in order to avoid the risk of conflict relapse, particularly when grievances related to exclusion, social injustice, inequality, lack of access to services, structural disempowerment, denial of socioeconomic rights, and frustration of other aspirations have fueled conflict in the first place. Short- and long-term challenges are, therefore, both pressing and need to be addressed in tandem. Violence is a negative shock that affects all aspects of development. In addition to killing and injuring people directly, it can, depending on its type and intensity, damage social fabrics and productive infrastructures, affect the implementation of developmental programmes and policy interventions, divert resources into the security sector, disrupt livelihoods, force people to flee their homes, and create conditions that affect public health, among many other detrimental consequences. Beyond their short-term impact, violent conflicts and crises also harm human development and skill accumulation, with detrimental long-term developmental consequences that are difficult to reverse.[133]

For any conflict-prevention strategy to be effective, it must consider all the aforementioned dimensions and be holistic in its scope and reach. The inclusive development of a country and the prosperity of its people hinge on the quality of its institutions. Together, the political, legal, socioeconomic, and administrative institutions coupled with the social values that underpin every society are the enabling environment for inclusive development and shared prosperity for all. When these institutions fail, for lack of accountability, poor effectiveness and lack of responsiveness to their constituencies, as shown time and again by the current protracted violent conflicts, with their regional spillovers, and the unexpected pandemic, trust is eroded and economies and societies suffer substantial long-term damages.

It is, therefore, incumbent upon public institutions in the Arab countries at all times – namely, in times of peace and before violent conflict erupts – to provide a healthy and egalitarian environment for society at large, for all its members, without discrimination or

exclusion, to fulfil their full potentialities through the provision of equal socioeconomic conditions and opportunities, high-quality public education, inclusive and accountable political governance that empowers people, and to care for the most vulnerable, through high-quality health-care systems and welfare programmes. In the absence of strong, effective and, above all, accountable institutions, societies are likely to become dysfunctional, with various actors at the political, economic and social levels vying for power and colluding in the pursuit of individual profit to the detriment of the larger society.

It is high time for policymakers to recognize that there are limits to the levels of inequality that are compatible with respect for human rights. States in the Arab region need to make formal commitments to reducing—if not eradicating—structural inequality, social injustice and exclusion at all levels. Several recommendations in this report can help achieve that, such as fiscal policies specifically targeting reduction of inequality and provision of high-quality public services in terms of education and health care, to name but a few. Questions of equitable resource allocation and redistribution need to be put back into institutional performance agendas and the management of the economy, in which they have for too long been ignored or marginalized.

Today, more so than at any other time in human history, the world has become one, sharing a common destiny, for good or for ill. The Arab region needs to think with the mindset of a shared destiny and mutual benefit and strengthen its regional cooperation mechanisms for the benefit of its peoples. As the Secretary-General of the United Nations rightly points out time and again, deadly conflicts, the climate crisis, gender-based violence, unprecedented pandemics, rising hunger, and persistent exclusion and inequalities are more likely than not to continue undermining efforts to achieve the Sustainable Development Goals by 2030. There is an urgent need to reorient national and regional economic, financial and governance systems so that economic growth benefits all and supports a healthy environment in which to achieve sustainable inclusion for all peoples.

The current escalating COVID-9 pandemic is a case in point, as it has laid bare these structural weaknesses in public institutions at the national, regional and global levels. It is, therefore, high time that decision-makers reconsidered the development paradigm based on a number of socioeconomic assumptions turned into policies, the theoretical foundations of which have been increasingly challenged by experts and empirically refuted by facts. The arguments put forward for decades to guide the developmental choices of the world, including in the Arab region, have been defeated by the facts, as the people supposed to be the beneficiaries of socio-economic policies have been more of than not on the losing side. The 2011 Arab Spring is a case in point. The chronic crises leading to protracted conflicts in the Arab region have exposed the dogmatic and unfounded nature of most of the so-called obvious truths, whether it is the efficiency and rationality of the financial markets, the receding role of the State and its institutions, the market trumping the role of public institutions in the socioeconomic service delivery, or the need to cut vital public spending to reduce public debt.

We must question these seemingly obvious truths and open the debate anew for the plurality of possible choices in terms of socioeconomic policies that can truly fight inequality and

exclusion and empower people to move forward, leaving no one behind in this collective march towards the achievement of the 2030 Agenda. Economic growth is not sufficient to reduce poverty if it is not inclusive and if it does not consider the social dimensions of economic development. To reduce inequality, policies should be genuinely inclusive, paying attention to the needs of disadvantaged and marginalized populations, so that no one is left behind.

Annex

Annex

Inequality and Conflict

According to Montalvo and Reynal-Querol,[134] communal polarization is a significant and robust predictor of communal conflict. Furthermore, the need to disaggregate the effects of inequality is at the core of the study by Alcorta and others study on equality and conflict;[135] educational inequality is positively correlated with conflict incidence, whereas this does not hold for economic and demographic inequalities, in that a higher share of elites and a lower joint educational level in society increase the probability of conflict occurrence. Alesina, Michalopoulos and Papaioannou combine data on linguistic spatial distribution of ethnic groups within States and satellite night density data.[136] They find that their proposed proxy of ethnic inequality has a negative effect on economic performance, even when one accounts for different geographic endowments. Cederman, Weidmann and Bormann provide their own spatial proxy on group-level economic inequality and corroborate the baseline hypothesis that high economic inequality facilitates conflict.[137]

Deiwiks, Cederman and Gleditsch[138] follow Bolton and Roland's approach[139] on the breakup of nations, arguing that both richer and poorer regions in a federation are more inclined to secede compared to regions that approximate the federal wealth average. Similarly, Lessmann suggests that policies that decrease regional inequalities are also likely to decrease the outbreak of conflict, such as fiscal or administrative decentralization or the provision of equalizing fiscal transfers that could take the form of soft budget constraints.[140] Esteban and Ray point out the significance of political inequality and the ruling political system as predictors of conflict intensity, particularly when the ruling group is much smaller than the opposition groups, as is the case in dictatorship.[141] Ostby elaborates on the significance of horizontal rather than vertical inequality,[142] while Esteban and Schneider provide the overview of related theoretical and empirical debates.[143] Transmission channels between economic inequality and growth include crime, education, health, and political conflict.[144] Law enforcement personnel levels appear to be higher in metropolitan areas with a higher degree of economic inequality.[145] Hegre and Sambanis perform several robustness checks and suggest that the prior quality of political institutions can be a powerful predictor of conflict, particularly in regions with persistent authoritarianism and economic underperformance.[146] They corroborate many of the hypotheses already established in the literature, while stressing the crucial role of the political determinants of civil war onset. In the same vein, Bormann and others explain that *de jure* power-sharing institutions constitute the main mechanism that facilitates transitions to peace and inclusion of marginalized groups into the political process; this, however, does not preclude infighting among Government coalition participants.[147] Rather than providing power

access to minorities, Wimmer and others analyse that ethnic inequality *per se* is insufficient to capture post-conflict dynamics in societies under radical transformation; total configuration of power and the inclusion of marginalized majorities are far more important steps toward peace consolidation, particularly in the Arab region.[148] This is why the exclusion of pro-Government militias from the peace negotiation process increases the probability of conflict re-emergence; pro-Government militias may be treated as losers or marginal winners of post-conflict consolidation and, therefore, render peace unsustainable by returning to the battlefield.[149]

Measures of gender equality are also crucial for the emergence of conflict and long-run economic development. Grown and others offer an overview of the role of gender equality in both quantitative and qualitative research on aid effectiveness and on gender questions related to education, public administration and State capacity.[150] Caprioli and Melander corroborate the hypothesis that higher gender equality is associated with lower levels of conflict onset; Caprioli focuses on fertility rates and female participation in the labour force,[151] Melander on the share of women in parliament and the female-male ratio of higher education attainment.[152] Similar findings are observed when the dependent variable is State human rights abuses.[153] Cornwall and Rivas offer a conceptual examination of gender equality and cast doubt on the effectiveness of its interpretative social trajectory; they advocate inclusion, non-discrimination and accountability.[154] However, there is no robust linkage between gender equality and democratization.[155]

Raleigh and others provide evidence from a disaggregated dataset on civil wars and observe that conflict usually captures 15 per cent of the territory in any given country, while 48 per cent of a country's territory is usually influenced by it.[156] Successful democratic transitions do not constitute a self-enforcing strategy for domestic peace and economic development; minority discrimination may offset the positive externalities of democratization.[157] In ethnically homogeneous societies, socioeconomic inequality is considered one of the main drivers of social upheavals, violent conflict and even terrorism.[158] Nevertheless, mass mobilization under conditions of high inequality can become an efficient framework for political development and regime change. Non-violent protests and a high organizational density of civil society may produce highly sustainable democracies.[159] In this context, it is also essential to consider the role of development aid in equality, conflict and development. Drawing evidence from Afghanistan, Karell and Schutte indicate that aid projects facilitating unequal distributions of resources within communities can bolster counter-insurgencies by excluded non-recipients.[160] This finding points at useful directions regarding the role of equality in peace consolidation and sustainable development in the Arab region.

Data Description and Empirical Strategy

Table annex 1. Data description and sources

Variable	Unit	Period	Data source	Notes
Armed Conflict	Count	1949-2014	UCDP/PRIO Armed Conflict Dataset	
Armed Conflict Incompatibility	Dummy	1949-2014	UCDP/PRIO Armed Conflict Dataset	Conflict issue: both territory or state
Armed Conflict Cumulative Intensity	Dummy	1949-2014	UCDP/PRIO Armed Conflict Dataset	Total conflict intensity
Gini Index	%	2001-14	Carnegie Middle East Governance and Islam Dataset	
Trust	1-3	2001-14	Carnegie Middle East Governance and Islam Dataset	Measurement of intensity; 1 designates high trust, 3 low trust
Individual Monthly Income	1-5	2001-14	Carnegie Middle East Governance and Islam Dataset	Quintile
Gender Parity Index (School Enrolment, Secondary, Gross)	%	2001-14	ILO	
Gender Parity Index (School Enrolment, Primary, Gross)	%	2001-14	ILO	
Adult Female Literacy Rate	%	2001-14	ILO	
Share of Income of Top Decile	%	2001-14	World Inequality Database	
Share of Income of Second to Top Decile	%	2001-14	World Inequality Database	
Geospatial Data: Ethnic Power Relations	%	1946-2017	EPR Core Dataset 2018	
Geospatial Data: Violence	Count	1989-2017	UCDP GED Codebook	

Table annex 1 reports the sources of the key variables of interest used in this study, such as counts of armed conflict incidents; the Gini Index; the share of income of the wealthiest decile in a given income distribution; the Gender Parity Index (GPI), which captures the ratio of female-male enrolment in secondary education; and geospatial data on ethnic power relations and events of low-to-high-intensity violence in the Arab region. Figures annex 1 to 3 capture the relationship between conflict and inequality in the Middle East in their various dimensions. Figure annex 1 indicates a positive association between Gini inequality and conflict, where Algeria, Iran, the Sudan, and Turkey are in the upper right quarter-plane and score highly both in armed conflict and Gini income inequality. Figure annex 2 shows that Iran and Turkey are located in the lower right quarter-plane and constitute extreme cases in the conflict-vertical inequality plane. There is a negative relationship between armed conflict and the highest decile of income distribution in Middle East economies; contrary to the Gini index, a higher income share in the richest top 10 per cent of society is associated with lower rather than higher levels of armed conflict. Hence, the direction of the empirical relationship between inequality and conflict is conditioned by the measurement of vertical inequality. Figure annex 3 confirms that higher gender inequality is linked to higher levels of conflict since a lower GPI implies higher levels of gender inequality in favour of males. Maps annex 1 and 2 offer geospatial data on ethnic power relations and incidents of violence in the Arab region. More specifically, Map annex 1 presents a visual overview of ethnic inequality, where ethnic groups are coded based on their settlement patterns and access to political power over time. Map annex 2 reports phenomena of violence on the ethnic power relations georeferenced map, where incidents are scaled as State-based conflict, one-sided violence or non-State conflict.[161]

Figure annex 1. Conflict versus vertical inequality (Gini Index)

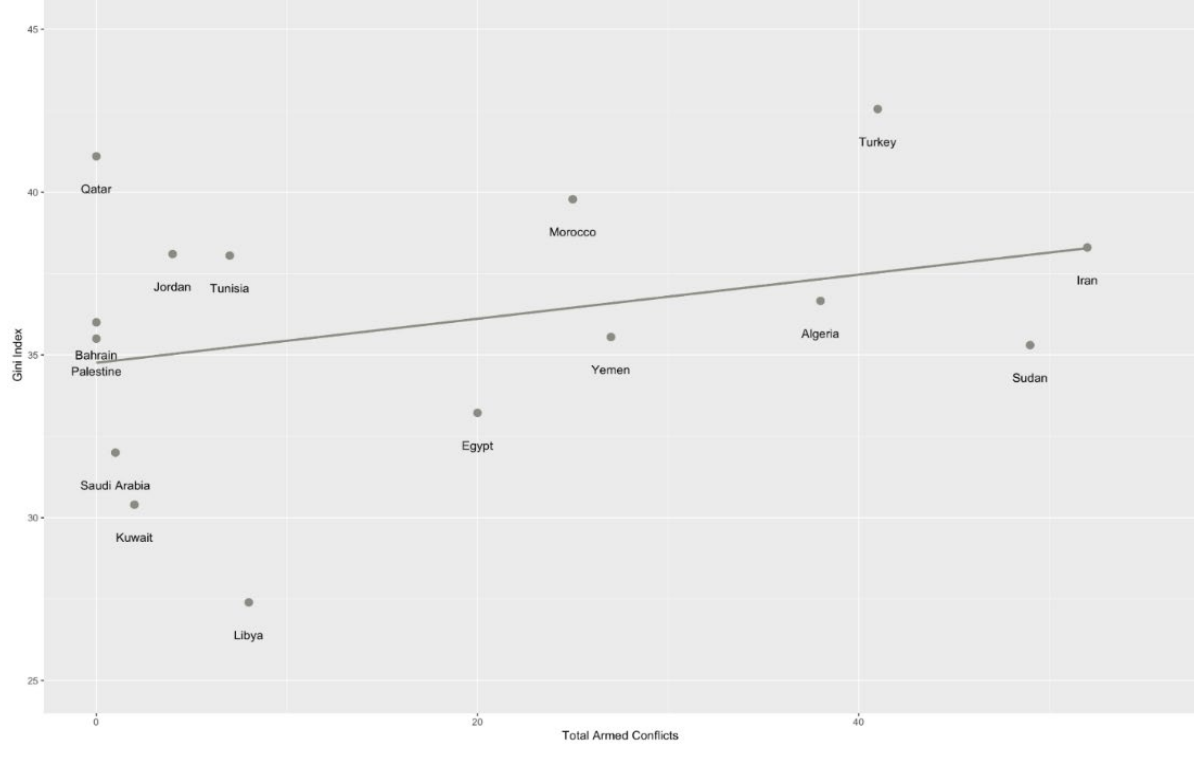


Figure annex 2. Conflict versus vertical inequality (10 per cent richest)

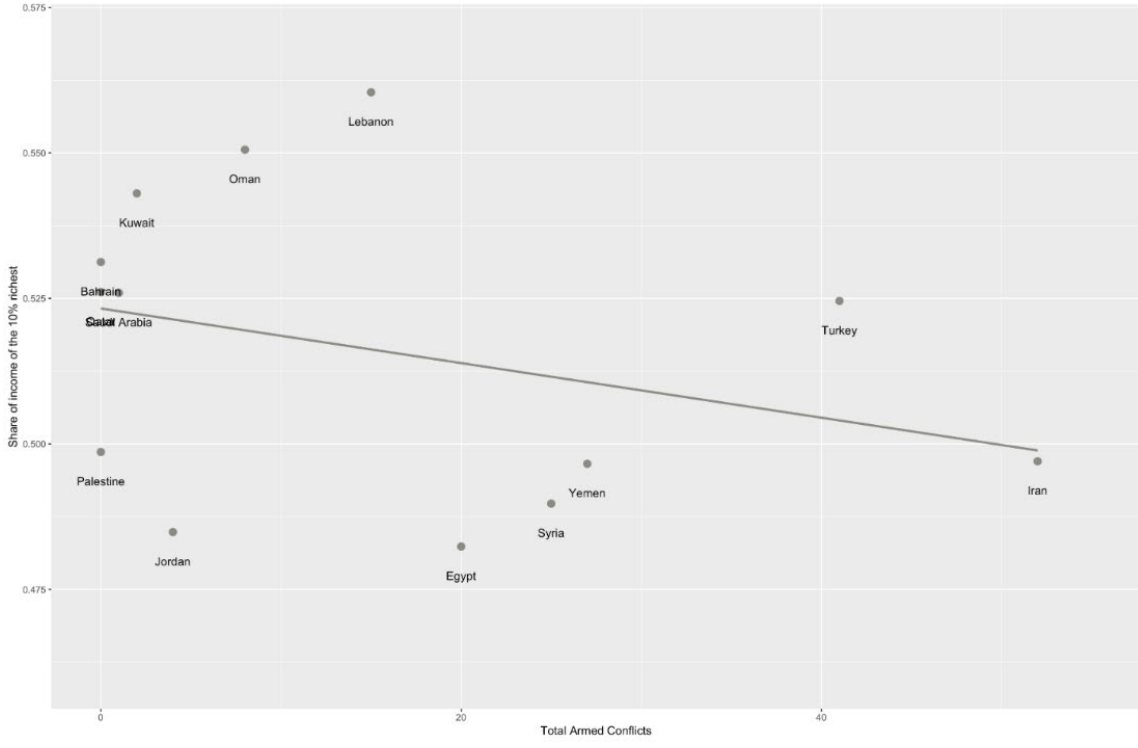
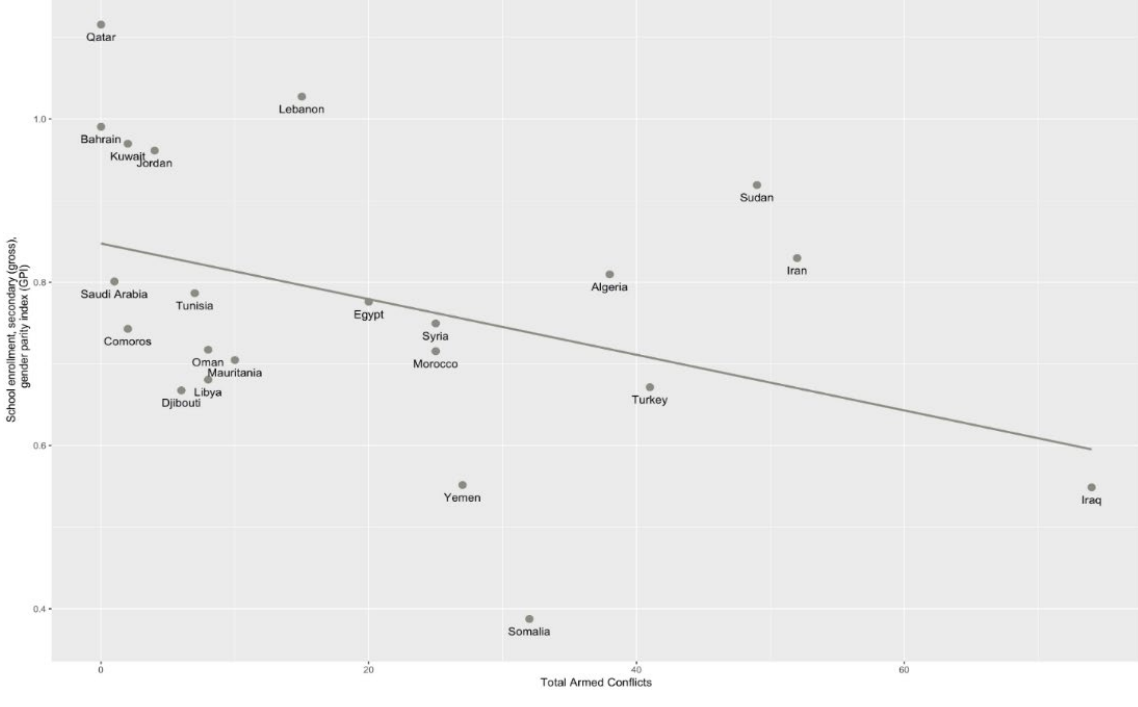
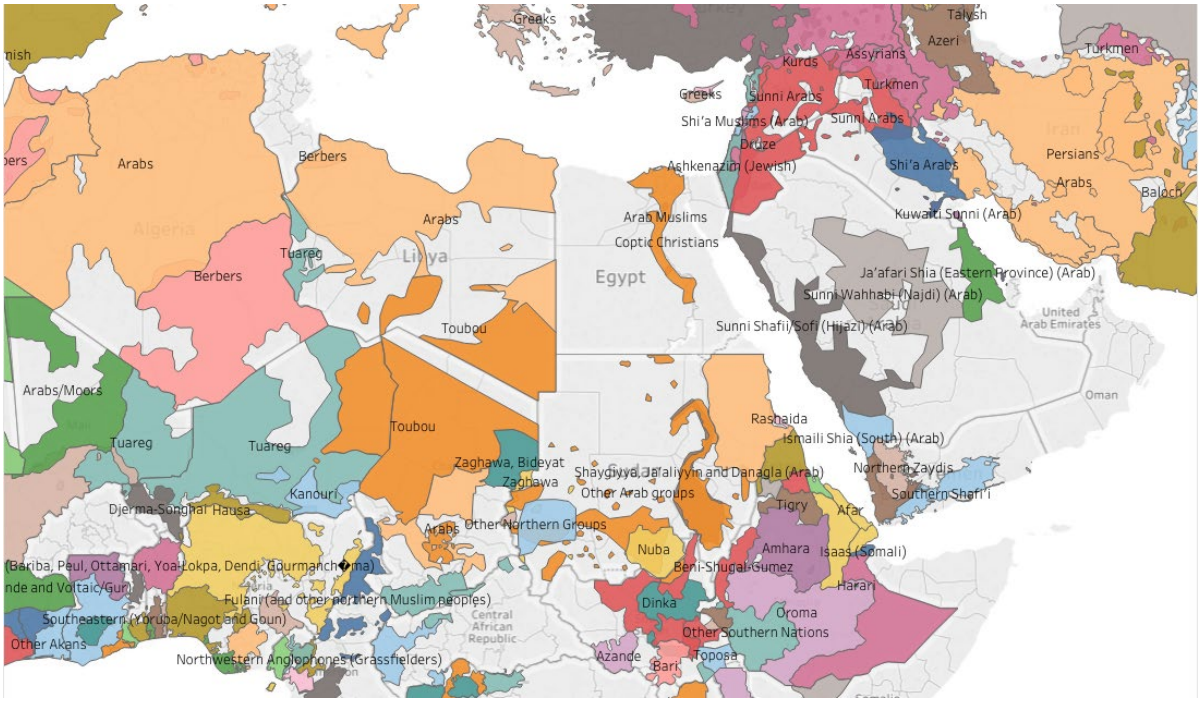


Figure annex 3. Conflict versus horizontal inequality (gender)



Map annex 1. Georeferencing ethnic power relations



Map annex 2. Georeferencing ethnic power relations and violence

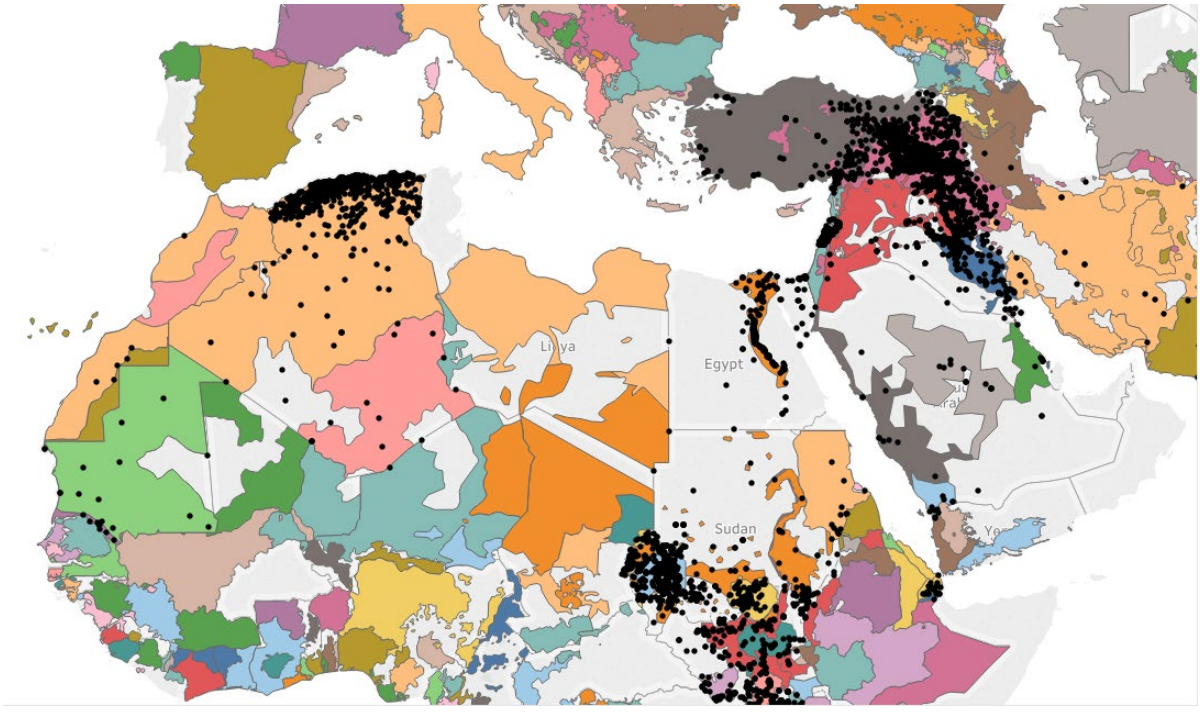


Table annex 2. Descriptive statistics – Tunisia, Egypt and Libya

Variable	Tunisia					Egypt					Libya				
	N	Min	Max	P50	SD	N	Min	Max	P50	SD	N	Min	Max	P50	SD
Armed Conflict	7	1	1	1	0	19	1	2	1	0.229	1252	1	2	1	0.040
AC-Incompatibility	7	0	0	0	0	19	0	0	0	0	1252	0	0	0	0
AC-Cumulative Intensity	7	0	1	0	0.378	19	0	1	0	0.513	1252	1	2	1	0.028
Gini Index	2395	36.1	40.0	36.1	1.950	4557	33.4	37.7	37.7	2.147	1247	27.4	27.4	27.4	0
Trust	2333	1	3	2	0.788	4319	1	3	2	0.789	1234	1	2	2	0.454
Individual Monthly Income	1197	1	5	3	1.331	2821	1	5	3	1.567	0	.	.	.	.
Gender Parity Index-Secondary	1234	0.391	1.111	1.046	0.061	5744	0.521	0.995	0.935	0.060	17	0.224	1.192	0.685	0.310
Gender Parity Index-Primary	2439	0.651	0.974	0.968	0.022	5748	0.654	1.003	0.931	0.044	20	0.599	1.018	0.927	0.112
Adult Female Literacy Rate	1203	35.768	72.224	71.730	1.057	1204	22.438	74.988	67.180	2.101	3	42.314	77.8	63.7	17.867
Share of Income of Top Decile	0	.	.	.	.	3056	0.461	0.508	0.486	0.001	0	.	.	.	.
Share of Income of Second to Top Decile	0	.	.	.	.	3056	0.124	0.130	0.127	0.0001	0	.	.	.	.
Geospatial Data: Violence	3	4	8	4	2.309	8486	1	118	4	14.736	1252	5	221	103	5.064
Geospatial Data: Fatalities	3	5	72	63	36.364	8486	1	974	5	45.998	1252	78	2232	1453	49.904

Notes: SD is standard deviation.

Table annex 3. Descriptive statistics – Syrian Arab Republic, Yemen and Bahrain

Variable	Syria					Yemen					Bahrain				
	N	Min	Max	P50	SD	N	Min	Max	P50	SD	N	Min	Max	P50	SD
Armed Conflict	16	1	3	1	0.814	2423	1	2	1	0.029	0	.	.	.	.
AC-Incompatibility	16	0	1	0	0.25	2423	0	1	0	0.029	0	.	.	.	.
AC-Cumulative Intensity	16	0	2	1	0.730	2423	0	1	1	0.020	0	.	.	.	.
Gini Index	0	.	.	.	.	4557	33.4	37.7	37.7	2.147	436	36	36	36	0
Trust	0	.	.	.	.	4319	1	3	2	0.789	411	1	3	3	0.983
Individual Monthly Income	0	.	.	.	.	2821	1	5	3	1.567	0	.	.	.	.
Gender Parity	43	0.353	1.004	0.763	0.208	2409	0.364	0.727	0.634	0.029	481	0.724	1.120	1.048	0.033
Index-Secondary															
Gender Parity Index-Primary	43	0.580	0.973	0.906	0.118	2410	0.558	0.873	0.815	0.015	43	0.722	1.051	1.011	0.106
Adult Female Literacy Rate	3	37.059	74.240	73.627	21.292	2	17.060	35	26.030	12.686	3	58.591	83.557	76.932	12.933
Share of Income of Top Decile	1	0.490	0.490	0.490	0	1440	0.497	0.497	0.497	0	3	0.521	0.544	0.529	0.012
Share of Income of Second to Top Decile	1	0.148	0.148	0.148	0	1440	0.147	0.147	0.147	0	3	0.128	0.131	0.131	0.002
Geospatial Data: Violence	0	.	.	.	.	2411	1	449	126	44.493	1	24	24	24	.
Geospatial Data: Fatalities	0	.	.	.	.	2411	6	6984	1285	380.081	1	26	26	26	.

Notes: SD is standard deviation.

Empirical strategy

As an empirical exercise, the socioeconomic effects of the Arab uprisings are explored using a difference-in-difference estimation.[162] The standard equation takes the following form:

$$outcome_i = \beta_0 + \beta_1 period_i + \beta_2 treated_i + \beta_3 treated_i * period_i + \varepsilon_i$$

where $period_i$ designates 2011 or later, when the Arab uprisings occurred in several economies of the Middle East; $treated_i$ the group of countries that were influenced by the Arab uprisings, such as Bahrain, Egypt, Libya, Tunisia, the Syrian Arab Republic, and Yemen, whereas Algeria, Iran, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, the State of Palestine, Qatar, Saudi Arabia, Turkey, and the United Arab Emirates constitute the control group. The difference-in-difference effect is captured by coefficient β_3. As a first step, it is worth exploring whether vertical and horizontal inequality have risen or not in the treatment group of countries affected by the Arab uprisings. The second step is to explore the overall effects of the Arab uprisings using trust and individual monthly income as outcome variables, while introducing conflict and inequality into the set of covariates. The equivocal effect of the Arab uprisings and the role of equality as a general determinant of peace consolidation and socioeconomic development suggest that different institutional or political outcomes—from violent conflict to democratic consolidation—are linked with the different effects that Arab uprisings have had on inequality, both vertical and horizontal, in Arab societies. Tables annex 2 and 3 show baseline descriptive statistics of the countries that have been mainly affected by the incomplete transformation of 2011.

In some cases, the Arab uprisings led to full-scale civil war and extremely violent chaos, while in others, Governments maintained stability and reasserted their authority. Only in Tunisia did popular mobilization lead to a progressive democratic transition, albeit one not without challenges. Treating the Arab uprisings as a natural experiment and explaining their effects on income and gender equality allows us to evaluate the overall responsiveness of Governments in the region, draw valuable inferences from global lessons and regional success stories and develop useful policy recommendations for the international community. Furthermore, the overall socioeconomic effects of the Arab uprisings may show clear pathways for the proequality policies that need to be implemented for the sake of sustainable peace and development.

Results

In table annex 4, the Arab uprisings are exploited as a natural experiment, and their differential effects are estimated on different measures of inequality, including income inequality, in the form of the Gini Index; the top 10 per cent of income distribution; the second-to-top decile of the income distribution; the GPI with respect to primary and secondary education; and adult female literacy. The main finding is that the events of 2011 and their aftermath have led to further increases in income inequality across the Arab region. This necessitates active policy measures by the

Governments in question in order to reduce incentives for radicalization and violent conflict. Nevertheless, income concentration within the top 10 per cent of the distribution has fallen, thereby opening a window of opportunity for the development of small- and medium-scale entrepreneurship. Both difference-in-difference estimators (for the Gini Index and the top decile of the income distribution) are statistically significant at the 1 per cent level. Furthermore, the GPIs for female primary and secondary education have been negatively influenced by the 2011 protests. The magnitude of the effect of Arab uprisings is stronger for secondary rather than primary education; both coefficients are negative and statistically significant at the 1 per cent level. By contrast, when it comes to adult female literacy, the Arab uprisings have had a relative positive effect on societies in the Middle East. What that means is that the Arab uprisings have intensified the persistence of vertical and horizontal inequalities; at the same time, they have relatively reduced the oligarchic structure of Middle Eastern economies and brought forward the elimination of adult female illiteracy, despite the fact that gender inequalities remain acute. Table annex 5 reports difference-in-difference estimations with different sets of covariates; the outcome variables come from the Carnegie Middle East Governance and Islam dataset, which includes Arab Barometer Waves. Trust and individual monthly income are used as key proxies of socioeconomic development. Equality and conflict indicators are used as covariates in different specifications (1-3). Specifications 1 and 2 show that, when controlling for income and gender inequality, there has been a significant drop in interpersonal trust as a result of the Arab uprisings. The results are significant at the 1 per cent level. Yet, when adding conflict fatalities into the set of covariates, the sign of the coefficient changes while retaining its significance level. This may be due to higher levels of trust in economies affected by the Arab uprisings that did not experience major fatalities as a result of violent conflict and civil war.

Table annex 4. Arab uprisings and inequality in the Middle East

Outcome	Gini Index	Top decile	Second to top decile	GPI-secondary	GPI-primary	Adult Female Literacy
Before						
Control	39.090	0.511	0.138	0.917	0.927	78.972
Treated	34.237	0.489	0.133	0.925	0.915	54.596
Difference (T-C)	-4.853	-0.022	-0.005	0.008	-0.012	-24.377
	[0.044]***	[0.000]***	[0.000]***	[0.002]***	[0.001]***	[3.164]***
After						
Control	37.567	0.574	0.135	0.997	0.944	73.486
Treated	34.497	0.492	0.128	0.868	0.923	69.458
Difference (T-C)	-3.071	-0.083	-0.006	-0.129	-0.021	-4.028
	[0.054]***	[0.015]***	[0.004]	[0.002]***	[0.001]***	[0.405]***
Difference-in-difference	1.783	-0.061	-0.002	-0.137	-0.009	20.438
	[0.070]***	[0.015]***	[0.004]	[0.003]***	[0.001]***	[3.190]***
Observations	66135	18869	18869	51849	50127	17429
R-squared	0.22	0.34	0.06	0.07	0.02	0.06

Note: Significance levels: *** p<0.01, ** p<0.05, * p<0.1. Standard errors in parentheses.

Table annex 5. Arab uprisings and socioeconomic development in the Middle East

Outcome	Trust-1	Trust-2	Trust-3	Individual Monthly Income-1	Individual Monthly Income-2	Individual Monthly Income-3
Before						
Control	1.296	1.506	2.540	3.510	4.612	3.598
Treated	1.146	1.363	2.186	3.293	4.412	3.406
Difference (T-C)	-0.150	-0.143	-0.354	-0.217	-0.209	-0.192
	[0.016]***	[0.016]***	[0.019]***	[0.030]***	[0.029]***	[0.035]***
After						
Control	0.733	0.967	2.345	3.125	4.369	3.201
Treated	0.820	1.092	1.836	2.992	4.174	3.158
Difference (T-C)	0.087	0.125	-0.509	-0.133	-0.195	-0.043
	[0.015]***	[0.016]***	[0.026]***	[0.035]***	[0.035]***	[0.405]***
Difference-in-difference	0.237	0.268	-0.155	0.084	0.014	0.149
	[0.021]***	[0.022]***	[0.028]***	[0.043]*	[0.043]	[0.058]**
Observations	42663	44902	27504	35125	37428	23358
R-squared	0.09	0.08	0.10	0.02	0.01	0.02

Note: Significance levels: *** p<0.01, ** p<0.05, * p<0.1. Standard errors in parentheses. In Specification 1, covariates include the Gini index and Gender Parity Index for primary education. In Specification 2, covariates include the Gini index and Gender Parity Index for secondary education. In Specification 3, covariates include the Gini index, the Gender Parity Index for primary and secondary education, and the best possible estimation of total fatalities as a result of an event.

Inclusion

Link between Inclusion and Development: Exclusion as a Cause of Divides and Violence

The conflicts in the region are linked to the desire to bring an end to systematic inequalities, such as low female labour participation, high youth unemployment, excessive military expenditures instead of effective and efficient public services, and large refugee populations. For more effective conflict prevention strategies, it is important to explore different types of divides and their links with conflict in further detail.

Famine, fragile contexts and exclusion

The link between a lack of attention by the State and the chronic failure to ensure the delivery of basic services, including in times of crises, food security and rising violence, is an expression of exclusion that may lead to conflict. The rise of food prices due to drought or external shocks leads to food insecurity, which can cause displacement of populations and exacerbate grievances and competition over access to scarce food and water. This context worsens existing inequalities as it affects the most vulnerable groups of the population, such as primarily rural and agriculture-based workers, women and children. Such shocks have severe impacts on the most affected populations, not only in the short term, as they often lead to food riots, but also in the long term, as populations are more likely to experience health and financial challenges in the future.

The link between food insecurity and violence is seen very clearly when looking at historical data. It is estimated that "the 2008 and 2011 global food crises triggered more than 40 food riots across the world".[163] For each added percentage point in undernourishment, it is estimated that the likelihood for violent conflict increases by 0.24 per cent per 1,000 population members according to a cross-country study in Asia and Africa between 1989 and 2014.[164]

The case of the Syrian Arab Republic illustrates these mechanisms well. From 2005, and especially during 2006-2007, the Fertile Crescent experienced one of its worst droughts in history. Consequently, food prices more than doubled between 2007 and 2008, condemning the poor population in the north of the area to nutrition-related diseases. Furthermore, there has been a drop in school enrolment of 80 per cent, and an estimated 1.5 million people have been internally displaced. Those internally displaces persons (IDPs), added to Iraqi refugees fleeing from the frontier war, comprised 20 per cent of the urban population in 2010. Overcrowding, illegal settlement, an absence of basic services, and criminality in the peripheral urban areas fed resentment against the State. It was in those poor districts that violent riots started in 2011.[165]

Gender Inequalities

According to Hudson and others, changes in women's status or vulnerability, such as an increase in domestic violence or a reduction in girls' school attendance, are often early warnings of social and political insecurity. The results of empirical studies support this hypothesis: Hudson and others

conducted a longitudinal study relying on the WomanStats database, including data from 175 countries over the 1960-2012 period, and found that more gender inclusivity tends to reduce the likeliness of entering conflict and violence escalation.[166] Caprioli measured the impact of gender inequality on a country's likelihood of being involved in a conflict, through a cross-national longitudinal study using data from 1960-2001, and demonstrated that countries with 10 per cent of women in the labour force were nearly 30 times more likely to experience internal conflict than countries with 40 per cent of women in the labour force. She also found that a 5 per cent increase in females in the labour force was associated with a fivefold decrease in the probability of a State using military force to resolve international conflict.[167]

Youth Inclusion

As discussed above, youth inclusion does not influence violence resolution and peace sustainability per se, though it has been argued that "the participation and inclusion of women and young people strengthen a country's capacity to manage and avert conflict".[168] Hence, as "more opportunities for youth participation in the political and economic realms provide routes for social mobility",[169] the youth divide should be considered an important piece of the peace puzzle. Youth inclusion can lead to sustainable peace through various channels. Lower income disparities and employment discrimination for young people will increase opportunities. As social mobility is more effective, perceptions of frustration and injustice will be limited, and risks of riots and protests will be mitigated. Greater youth inclusion can also refer to more equal access to education, which, in turn, broadens the horizons of opportunities for youth. In line with this, United Nations Resolution 2250, in 2015, recognized the need to invest in youth inclusion (employment, vocational training, educational opportunities, and youth entrepreneurship).[170]

However, youth exclusion (lack of economic opportunities, unemployment, intergenerational inequality, or youths perceiving their status, income and opportunities as lower than those of their parents at their age) is a key factor in violent conflict, if combined with frustration. In Middle Eastern and North African countries, youth unemployment (exclusion from the labour market) appears to be a decisive factor for societal violence and "perhaps" radicalization as well.[171] Bathia and Ghanem argue that lacking employment increases radicalization in eight Arab countries, namely, Algeria, Egypt, Iraq, Lebanon, the State of Palestine, Tunisia, Yemen (in 2011), and Qatar (in 2012).[172] Youth unemployment in the Arab region is at 30 per cent, higher than any other region in the world. Out of the unemployed, 30 per cent are university graduates. This is all the more concerning in the current context of violent extremists increasingly recruiting among the youth, as Devarajan and Ianchovichina concluded in their research on aspirations and well-being in the Middle East.[173] Here, the role of perceptions of economic and social exclusion and levels of trust proved to be crucial in explaining the propensity of excluded youths to engage in violence.

Access to Basic Public Services

Many authors have shown that, even if service delivery may not be directly linked with violence, it can nonetheless largely affect "state legitimacy and the ability of the state to mediate conflicts".[174] Here again, perceptions of exclusion contribute equally, if not more, to building grievances and incentivizing violent confrontation than does exclusion from those services themselves, as Sturge and others noted in 2017.[175] Among services delivered by the State, security and justice are the primary, sovereign duties, and thus become sources of concern when they are not assured or fail to be transparent and fair.

The relation between education inequality and conflict appears to be significant, according to Bartucevicius.[176] Testing a model with a quadratic term of the Gini coefficient for education, he found a stronger significance than when using the non-quadratic term, suggesting that the relation between levels of equal education in society is non-linear, taking the form of an inverted J curve. That is, for most cases (75 per cent), higher education inequality increases the likelihood of popular rebellion; however, after a certain point, the relation is reversed: more inequality leads to a slight decrease in the probability of rebellion. This can be explained by the fact that a population with too low an education level will lack incentives to protest.

Centre-versus-peripheries Divide

Differences in the extent of inclusive development between centres and peripheries within countries (often between urban/centralized regions and rural areas) are further factors affecting risks of conflicts. Spatial exclusion has an effect on conflict through various causal chains. First, the exclusion of peripheries is often rooted in historical patterns, whereby they accumulate less infrastructure and services due to a perceived lack of utility for the State to intervene in those "last mile" regions. Possible resistance to State integration or power consolidation provide fertile ground for localized intercommunal or inter-elite violence to emerge. Second, the absence of the State in certain areas implies that geographic peripheries will lag behind economically and socially. Alternatively governed spaces can then appear, with the entry of non-State actors (illicit trafficking, gangs, violent extremism).

Ethnic/sectarian divide

Ethnic divides are part of the horizontal inequalities that contribute to explaining the rise of violence.[177] Ethnic fractures often feed perceptions of grievances to the extent that ethnic polarization has been used to predict violent conflict. In Liberia, for example, Blair, Blattman and Hartman used 56 potential risk factors, including inequalities between different groups, to predict locations of conflict, finding that ethnic diversity and polarization consistently predicted the location of violence over time.[178] Ethnic segregation also often worsens overdetermined conflicts and further antagonizes oppositions, as observed in most current violent conflicts in the Middle East and sub-Saharan Africa.

Access to natural resources and land

Unequal access to land and natural resources is particularly linked with the probability of conflict. For example, this issue constituted the roots of the armed conflict in Colombia. Disputes over land between tenants and farmers began as early as the 1920s. However, land disputes and calls for reform remained unresolved, leading to massive land seizures and the displacement of 2 million farmers. Structural inequality, political exclusion and forced dispossession of land by large landowners were mobilized by the armed forces (Revolutionary Armed Forces of Colombia and the National Liberation Army), who entered into a conflict with the State in the 1960s. The civil war escalated in the 1980s, fed by revenues from drug trafficking.[179] The Colombian case will be further examined in a later section.

Interlinkage between Conflict and Growth

Explaining violent conflict with economic inequalities and exclusion is a complex task, mainly due to the presence of endogeneity. Collier calls it "development in reverse",[180] as the reasons that push an armed group to engage in violence may be worsened by the conflict itself.[181] It is often hard to distinguish the determining effect of economic exclusion because conflict, growth and inequalities interfere in a vicious circle feeding off violence.

A recession or economic shock can disrupt the equilibrium between different groups in a country and lead to tensions. As the example of Côte d'Ivoire shows, although high horizontal inequalities existed between ethnic groups, violence escalated only when the revenues of extractive resources and commodities fell in the 1980s. The general slowdown of economic growth exacerbated tensions over land and resources between local, foreign and internal migrants in the southern region.[182]

As also explained by Alesina and Perotti,[183] unequal distribution of resources often leads to civil unrest and political instability, which, in turn, undermine the economic performance of a country. Political instability can indeed negatively affect growth through various channels. It causes uncertainty, which lowers incentives to invest, and is a threat to property rights, which lowers the utility derived from investment and implies no enforcement of contracts. Political instability also directly impacts productivity through human deaths or injuries, which reduce the number of workers, and damage to capital and infrastructure due to destruction.

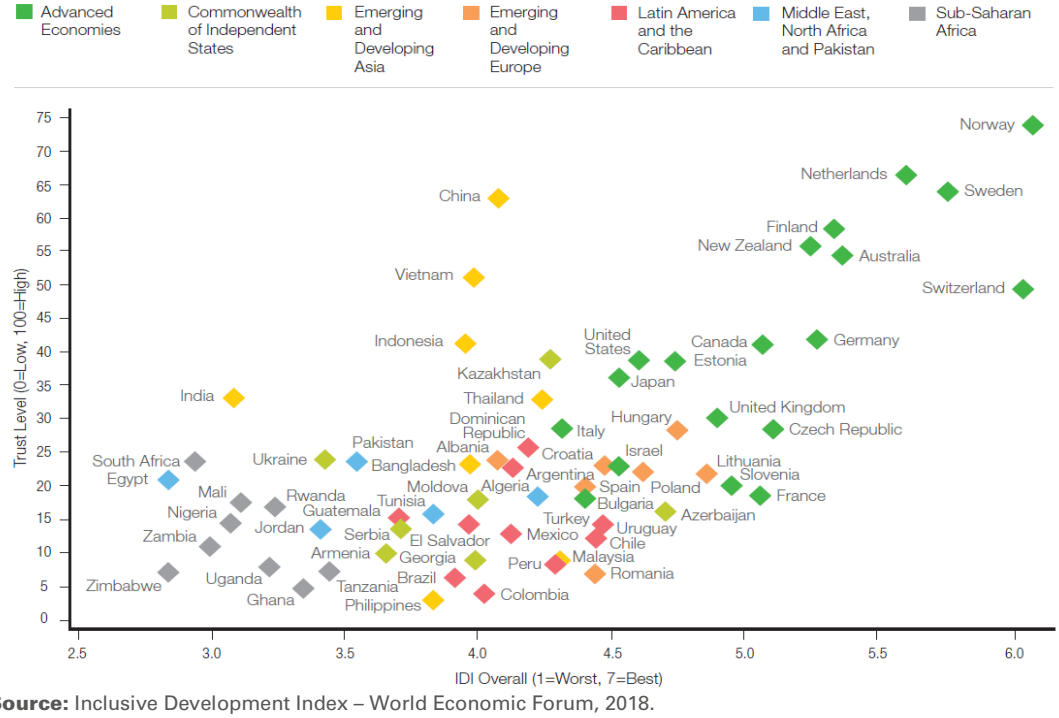
Perceptions and Trust

Another reason why positing correlations between exclusion and conflict should be done with caution is that the key mechanism through which inequalities can lead to conflicts, as explained by Gurr,[184] relies not on deprivation itself but on perceived *relative* deprivation: the "discrepancy between what people think they are rightfully entitled to achieve and what they are actually capable of achieving". According to this theory, inequalities among groups and group-based exclusion on their own are not sufficient conditions to generate collective action toward violence, though they can create fertile ground upon which grievances can build. This deep-rooted sense of exclusion and perceived injustice appear indeed to be present in many violent conflicts.[185]

This point is supported by global, cross-country and long-term studies, such as by Cederman and others,[186] which found evidence of a correlation between violent conflict and relative disadvantages in terms of wealth distribution between identity groups. Here, relative deprivation was measured taking the difference between the deprived group's estimated gross domestic product (GDP) per capita and the average GDP per capita of all groups. These results suggest that what incites a group to initiate violence depends on its perception of deprivation compared to others, not on its absolute poverty.

The importance of perception is, therefore, the feeling of injustice and of a broken social, economic and political contract. This appears clearer when considering the case of political exclusion. Several empirical studies have shown that closure of political space and State repression cause serious risks of violent conflicts.[187] Cingranelli and others,[188] for example, demonstrated that countries where authorities do not respect human rights tend to present more violent conflicts. In these cases, incentives for violence derived from exclusion are strong because inequality is imposed by the Government, creating the perception that "there is no viable alternative for expressing grievances and frustration".[189] Cederman and others found, in a global cross-country study, that groups excluded both economically and politically present a higher propensity to enter into violent conflicts than groups excluded in only one of the two dimensions.[190] For example, lower access to education implies distance from political participation and societal activities. Lower education also reduces the chances of employment and creates a vicious circle for deprived groups: income exclusion, in turn, determines lower access to education.

Figure annex 4. Relationship between trust and inclusion

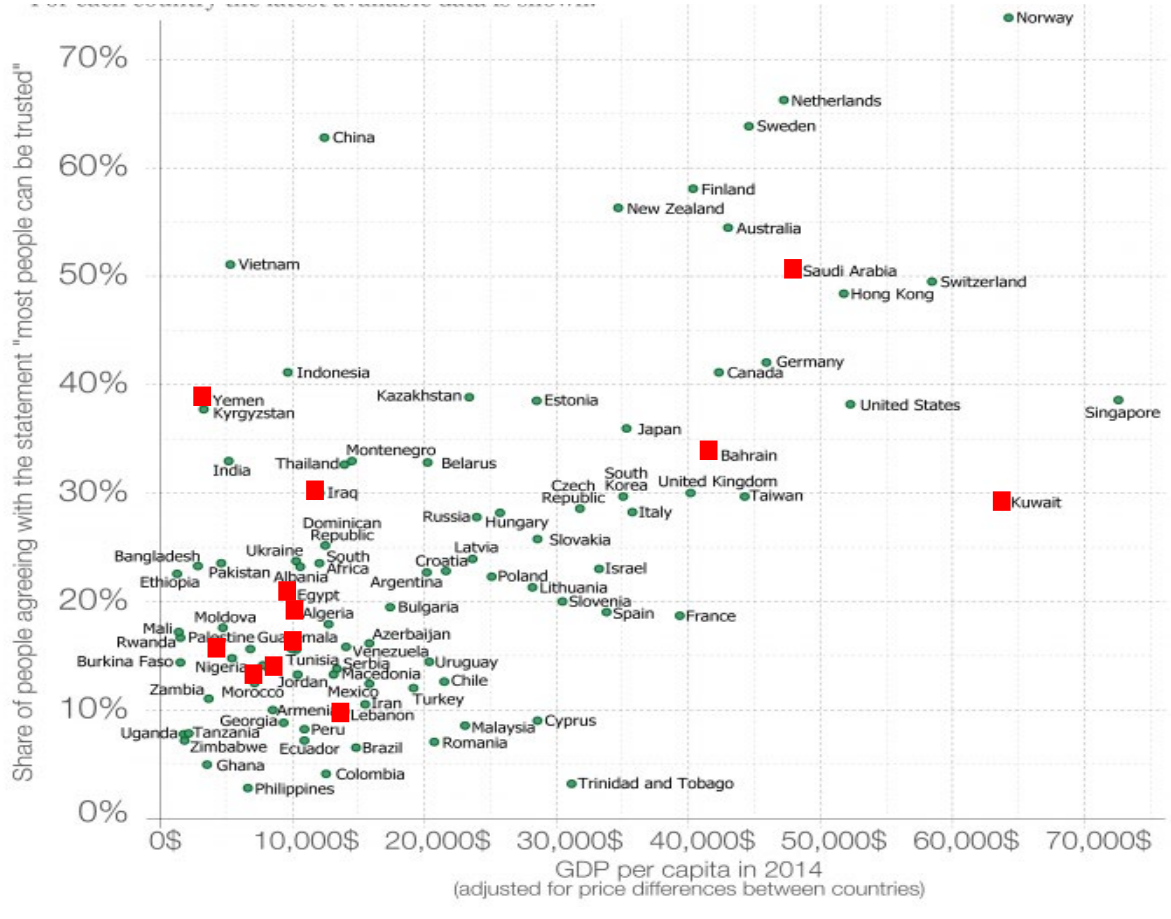


Source: Inclusive Development Index – World Economic Forum, 2018.

The World Economic Forum created the Inclusive Development Index, an indicator that takes into consideration economic growth, economic inequality and intergenerational inequality.[191] As shown in figure annex 4, a clear positive relationship can be observed between interpersonal trust and the Inclusive Development Index, at least at the global level. This result indicates that more inclusive countries, such as those in Northern Europe, generate a more trustful environment in their societies. For the Arab States, the relationship is less straightforward, primarily because of lack of data: only Algeria, Egypt, Jordan, and Tunisia were considered in this indicator.

From these relationships, it appears straightforward that trust has positive effects on economic growth and development. Figure annex 5 shows that interpersonal trust is distinctly related with GDP per capita in an unequivocal positive relationship: the richest countries in the world are those in which interpersonal trust is highest. Moreover, the pacifying effect of economic interdependence between groups in a country, induced by higher economic growth, has been demonstrated in a cross-country analysis by Collier and Hoeffler in 2004.[192]

Figure annex 5. Relationship between trust and GDP per capita



Source: Our World in Data, 2014.

When addressing the issue of violent conflict, it is important to investigate its root causes. According to a joint study by the United Nations and World Bank, horizontal inequalities are more likely than vertical inequalities to give rise to violent conflict. Horizontal inequalities are defined as "differences in access and opportunities across culturally defined (or constructed) groups based on identities such as ethnicity, region, and religion".[193] Vertical inequalities relate mainly to socioeconomic inequalities, such as the relative income of individuals. Horizontal inequalities are more likely to give rise to violent conflict because they incite collective grievances which then facilitate mobilization.

Using data from demographic and health surveys, Østby shows that a positive relationship exists between measures of horizontal inequality and conflict for 55 developing countries over the period 1986-2003.[194] The indicators include household assets and educational levels of different ethnic, religious and regional groups. The effect is most robust for horizontal inequalities between regional groups. Furthermore, there is a higher risk of conflict when political exclusion is interacted with socioeconomic regional horizontal inequalities. Thus, it is arguably clear that measures of political inclusion must be combined with those of socioeconomic inclusion in order to secure peace in developing countries. In a similar vein, Acemoglu and Robinson argue that inclusive political and economic institutions reinforce each other, forming a virtuous circle of inclusive sustainable development. The authors define inclusive political institutions as those "that are sufficiently centralized and pluralistic"; and they define inclusive economic institutions as those that "allow and encourage participation by the great mass of people in economic activities that make best use of their talents and skills and that enable individuals to make the choices they wish".[195]

There are three main types of group-based inequalities, namely, economic inequality, political inequality and social inequality.[196] Studies have mostly supported positive relationships between these inequalities and violent conflict. Political horizontal inequality includes "inequalities in the distribution and access to political opportunity and power among groups, including access to the executive branch and the police and military. It also relates to the ability of individuals to participate in political processes".[197] Social horizontal inequalities include "inequalities in access to basic services, such as education, health care, and benefits related to educational and health outcomes".[198] In particular, horizontal inequality in education is found to be associated with a higher likelihood of violent conflict. Several quantitative studies have identified a positive relationship between gender inequality and a country's propensity for violent conflict. Fertility rates and labour force participation are often taken as proxies for gender equality. Examining the feminist international relations literature and using the record of female leaders as decision makers during international crises, Caprioli and Boyer show a negative relationship between levels of domestic gender equality and the likelihood of violence during inter-State conflict.[199] The authors argue that the level of gender equality in a society determines the association between more pacific attitudes and international conflict. In addition, domestic gender equality is negatively correlated with severity of violence in crises. During crises, there is a high propensity toward violence, but the latter is counteracted by higher levels of gender equality. With increasing participation and inclusion of women, the propensity toward violence is expected to continue decreasing in the years to come.

The economic, political and social inclusion of young people determines whether a country's large youth population represents a threat or a demographic dividend. The exclusion of young people leads them to frustration and thus motivates them to join armed groups in conflict situations. Paasonen and Urdal point to the association between youth bulges and conflict and instability in a study on the role of youth in the Arab Spring.[200] The authors identify youth bulges, unemployment and education as three key demographic and social factors that serve as structural causes of the 2011 uprisings in the Arab region. They define youth bulges as large youth cohorts in countries undergoing rapid demographic change. The presence of a large youth population implies that there are more young job-seekers than the level of economic development can sustain and the labour markets can absorb. This results in higher youth unemployment. Young, frustrated unemployed people represent potential recruits for rebel organizations. Similarly, the political exclusion of young people may lead them to participate in violent conflict in order to demand better socioeconomic conditions and opportunities.

At the same time, however, young people also pose a threat to stabilizing democratic governance. New research has shown a positive relationship between youth bulges and frequency of regime change, while youth bulges are also found to be positively correlated with the likelihood of the collapse of democracies.[201] Many States resort to repressive measures, rather than inclusive ones, in order to subdue the threat to national stability posed by large youth populations. This further aggravates the situation and leads young people to feel more excluded and frustrated, potentially making them more likely to engage in violent conflict.

Education is the key to sustainable socioeconomic development. As a policy for containing youth bulges, it may have two different effects. On the one hand, the provision of education increases expectations among youth populations, which can then feed a sense of disappointment and discontentment in the event that the State fails to deliver future employment opportunities. On the other hand, while higher discontentment among educated youth can increase the likelihood of anti-Government protests, higher levels of education are generally associated with a lower likelihood of violent conflict.

Lessons from Around the World

Several success stories point to the importance of inclusion for peace and development.

Niger as an example of resilience

Niger managed to avoid violent conflict over the last decade despite military coups and tensions among ethnic minorities. Niger succeeded in avoiding violence mainly by "forging a development, security, and diplomacy nexus," "boosting political inclusion" and "addressing socioeconomic grievances".[202] Niger has built positive relationships between the army, the population and the civilian authorities. Collaboration between the army and the civilian authorities has ensured security

and conflict resolution. Niger has taken measures facilitating the political inclusion of minorities, for example, incorporating Tuaregs into administrative positions.

Niger has suffered, in the past ten years—and continues to suffer today, from a number of external and internal threats. Despite these risks, over the last decade, stability and an absence of violent conflict have been observed. Integrated security-development plans encompassed a recovery plan of the Diffa region including security policies, humanitarian assistance and long-term development, as well as a $2.5 billion investment in a security-development strategy for the Sahara-Sahel region. Special efforts were exerted on addressing socioeconomic grievances through several initiatives, including a law passed in 2006 to redistribute 15 per cent of the benefits of extractive industries to the original mining communes; the *Renaissance* socioeconomic plan by President Issoufou in 2011; the 3N initiative (Nigeriens nourish the Nigeriens), a food crisis management plan; and a comprehensive policy toward the informal economy that provided a vital source of livelihoods, particularly in the border regions.[203]

In 2006, Niger introduced school committees involving parents and community members in all public primary schools to improve the quality of education and enhance the accountability and management of schools. Using evidence from a randomized evaluation of an experimental school grant programme, Beasley and Huillery found that school committees had a positive effect on the participation of parents in school management.[204] Not only did the quality of education improve through greater inputs from parents, but the participation of children in schools also increased.

Positive impact of community-driven development in Indonesia

Since 1998, an uneven democratic transition in Indonesia has led to large-scale violent communal conflicts. The Kecamatan Development Project, a national Government programme, was implemented through national budget allocations, donor grants and World Bank loans. It consists of block grants of $95,000-320,000 attributed to each village. In a competitive participatory process, villages determine the allocation of the funds to local development priorities.

This type of approach is called community-driven development (CDD) as it aims to establish transparent development planning through the participation of local institutions and communities. From this project in Indonesia, a World Bank study assessed the potential of CDD for conflict management in two provinces, East Java and Nusa Tenggara Timur, between 2002 and 2005, matching subdistricts. The study found little quantitative evidence that CDD reduced levels of violent conflict: it appears as only one influence among numerous other factors playing a large determining role and is not directly a conflict-resolution tool. However, the qualitative fieldwork suggested a positive impact on demand for change, local decision-making and conflict resolution. It was demonstrated that the project improved intergroup relations (especially in regions where the programme lasted a longer time); democratized village life, with greater participation of marginalized groups; and mitigated violence associated with conflicts over development projects' implementations themselves. Disputes due to the project implementation never became violent.

The Kenya Vision 2030 plan promoting integral development

The Kenyan Government developed five mid-term development plans containing five pillars (economic, social, political, macro, and enablers). As examples of the concrete measures of the plans, a landownership document was established as a replacement for lost documentation after the violence of the 2007-2008 elections, in addition to a water supply programme in rural areas, gender, youth and disability programmes, and so on. These plans, collectively called "Vision 2030", have been aligned with the 2010 constitution, which made provisions for an equalization fund to improve the delivery of basic services (access to food and water, education, health, and transport infrastructure) to marginalized areas, in a bid to bring service provision up to the levels experienced across the rest of the country. A national land commission was established to address the grievances of communities and reduce the power of the executive over land management. As a result, less violence was observed in the 2013 elections. The development plans complemented peace talks and mediation and greater intervention of technologies to monitor, inform and react to violence.[205]

Gender violence in Côte d'Ivoire

In research conducted to evaluate the activities of United Nations Women in Côte d'Ivoire,[206] interesting results were obtained for understanding gender issues such as domestic violence. Specifically, the analysis provided evidence for the following: (1) a positive relationship between women's educational level and exposure to domestic violence; (2) women's independent economic incomes being the only factor that diminished violence toward women in the household; and (3) men underestimating domestic violence by 20 per cent when compared to women. The probability that an episode of domestic violence toward women happened at least once seemed to increase with the educational level of the woman. This was true for all kinds of violence, namely, physical, verbal and economic. The average number of episodes also increased with the educational level. However, women who have their own sources of income seem less exposed to the various forms of domestic violence. Therefore, it can be assumed that having an independent income stream diminishes domestic violence by modifying men's behaviour toward their partners, not women's tolerance of violence. This result confirms the importance of individual economic independence as a tool of public policy for the fight against domestic violence.

Displacement and inequality in Colombia

Forced abandonment of productive assets by rural IDPs in Colombia led to a significant decrease in their income. In a study on the recovery for displaced households in Colombia, Ibáñez and Moya[207] write that "(…) even after a year of settlement, the unemployment rate for displaced household heads is still greater than that for the urban extreme poor. Low formal human capital (5.7 years) and inadequate previous labor experience with respect to urban jobs (57.3 per cent of displaced persons were dedicated to agriculture prior to displacement) may be the main causes driving high unemployment rates".[208]

Table annex 6. Incidence of forced displacement on inequality in reception municipalities in Colombia

Sample size	984 Colombian municipalities in 2005: 237 municipalities with the highest levels of total public spending per capita (more than US$412 per capita in 2005) and 747 municipalities with the lowest levels (less than US$412 per capita in 2005). The 75th percentile is US$412 public spending per capita.
Outcomes	• In cities with the highest levels: the rise in 10,000 received migrants increased the Gini coefficient to 0.0016 • In cities with the lowest levels: the rise in 10,000 received migrants increased the Gini coefficient to 0.0060

Source: Vargas, M. V., 2018. Déplacement forcé, dépossession et inégalité de revenus en Colombie: 1993 et 2005. Available at https://drive.google.com/file/d/15tbjtqmvUrG4bwynOlKgpJhqG2kr4COA/view?usp=sharing.

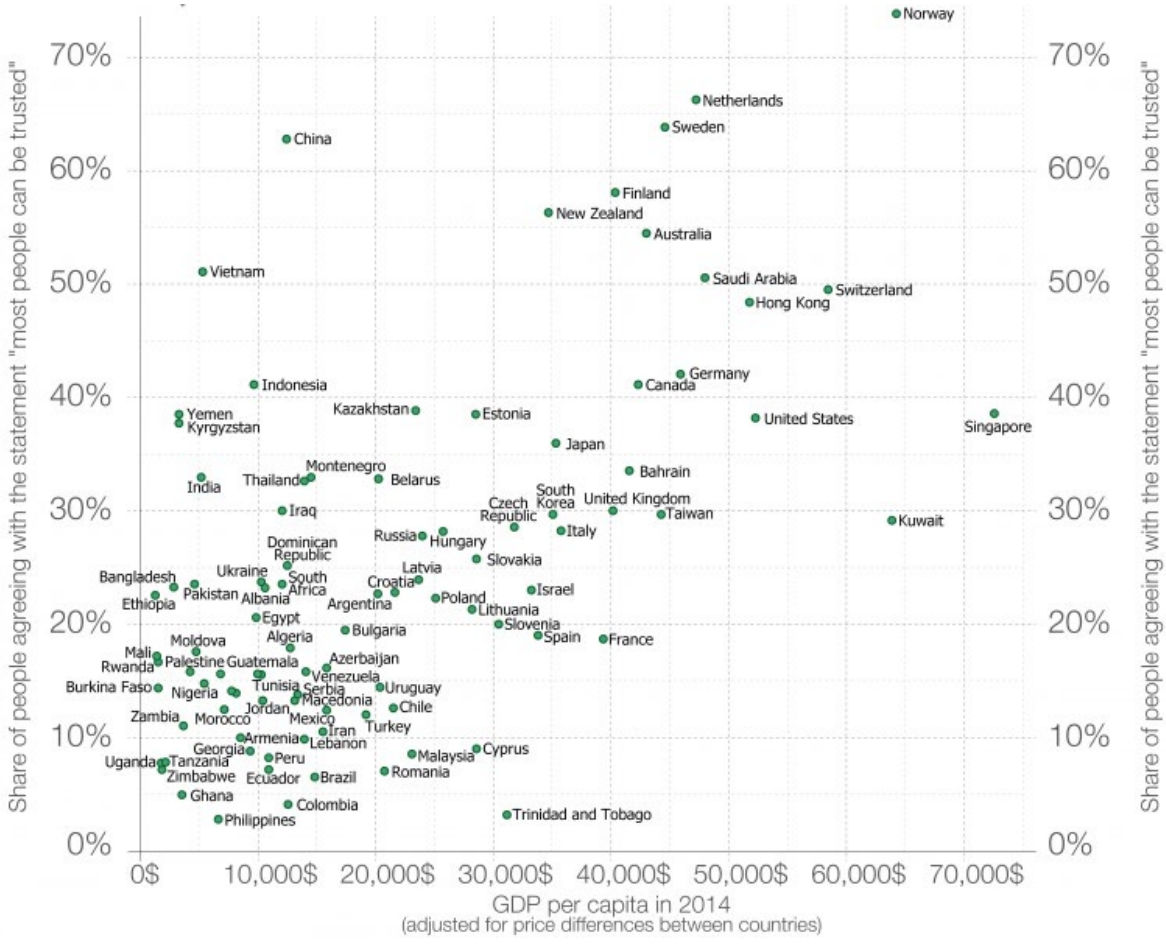
The force toward more inequality attenuates as public spending rises (0.0016 compared to 0.0060). This can be explained by the use of public spending. According to Ibáñez and Moya,[209] "Household's labor income per equivalent adult plummets from $826 per year before displacement to $170 per year during the first three months after displacement, and to $410 after a year of settlement. Beneficiaries of income generation programs recover their ability to produce income sooner than non-beneficiaries, albeit after a year of settlement the difference between both groups is insignificant".[210]

According to the findings of Ibáñez and Moya,[211] after controlling for other characteristics, the contribution of income-generating programmes to asset accumulation is large and significant. Asset holdings for beneficiaries of the income-generating programme are 2.2 million ($1,018) per year and per beneficiary displaced household larger than those of non-beneficiaries. The authors indicate that the benefits of the income-generating programme "include labor training, small enterprise courses, or a combination of both, as well as psychological support. By the end of the program, labor and enterprise plans should be fully designed. Those beneficiaries who have submitted the former are hired by private firms for short-term practice".[212]

Interpersonal Trust

As shown in figure annex 6, countries with a higher level of interpersonal trust[213] tend to have a higher GDP per capita.

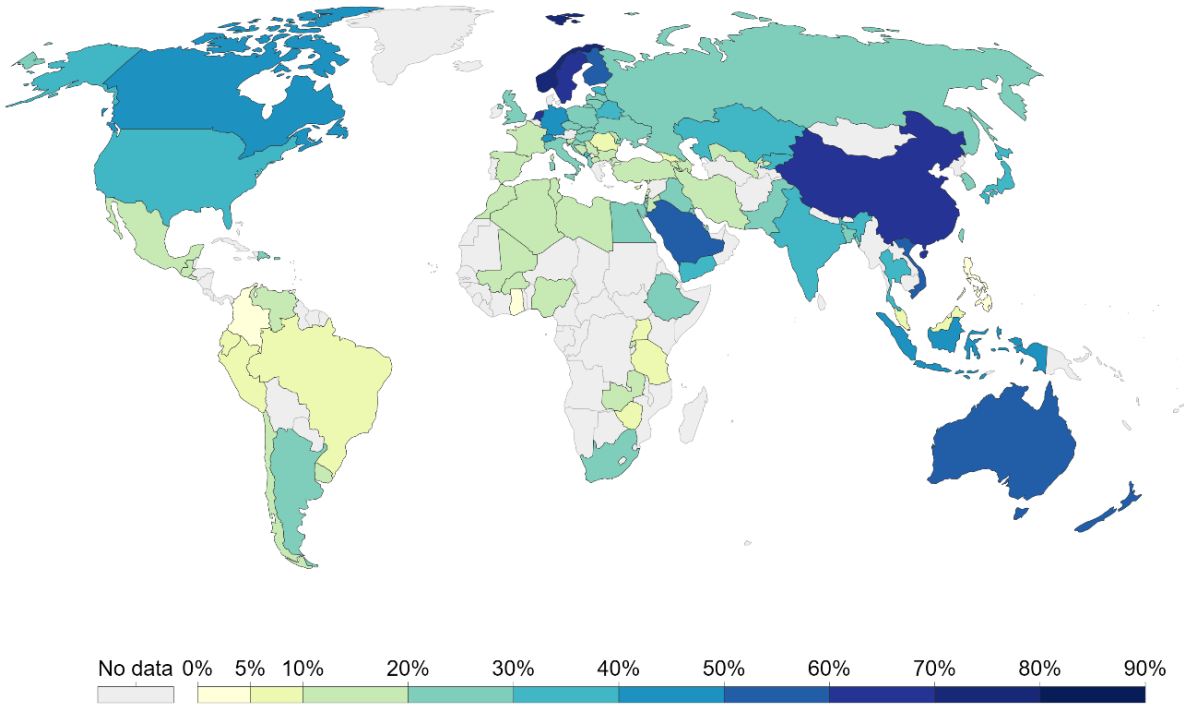
Figure annex 6. Relationship between trust and GDP per capita, 2014



Source: Our World in Data.

As an overall trend, trust levels are particularly low in the Arab region. However, it is important to highlight some remarkable exceptions, such as Saudi Arabia, where the trust level is above 50 per cent. The percentage of people agreeing with the statement "Most people can be trusted" was at 19.6 per cent in the Arab States in 2014.[214] When compared with the global average (24.5 per cent), it is clear that trust levels in the countries of the Arab region are very low. In particular, if excluding the outliers,[215] the proportion of the Arab States' population agreeing with the statement "Most people can be trusted" decreases to 15.5 per cent (figure annex 7).

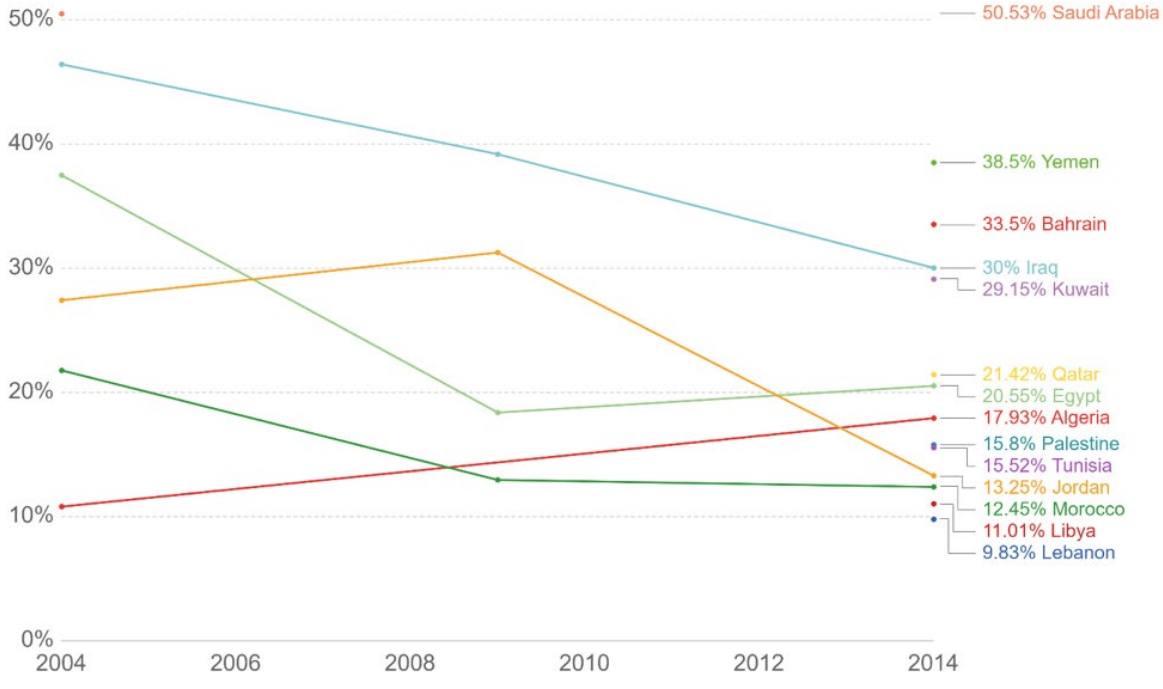
Figure annex 7. Percentage of people agreeing with the statement "Most people can be trusted", by country, 2014



Source: Our World in Data.

Across regions, only Latin America has a trust level lower than that of the Arab States. Interpersonal trust in Latin America reached the extremely low level of 9.7 per cent in 2014. Other regions, such as Central Asia (23.9 per cent), have values closer to the global average or above. Interestingly, the Arab States have seen an overall downward trend in trust levels in the last decade. For instance, countries such as Egypt, Iraq, Jordan, and Morocco have almost halved their trust levels since 2004 (figure annex 8).

Figure annex 8. Trust levels in the Arab States, 2004-2014



Source: Our World in Data.

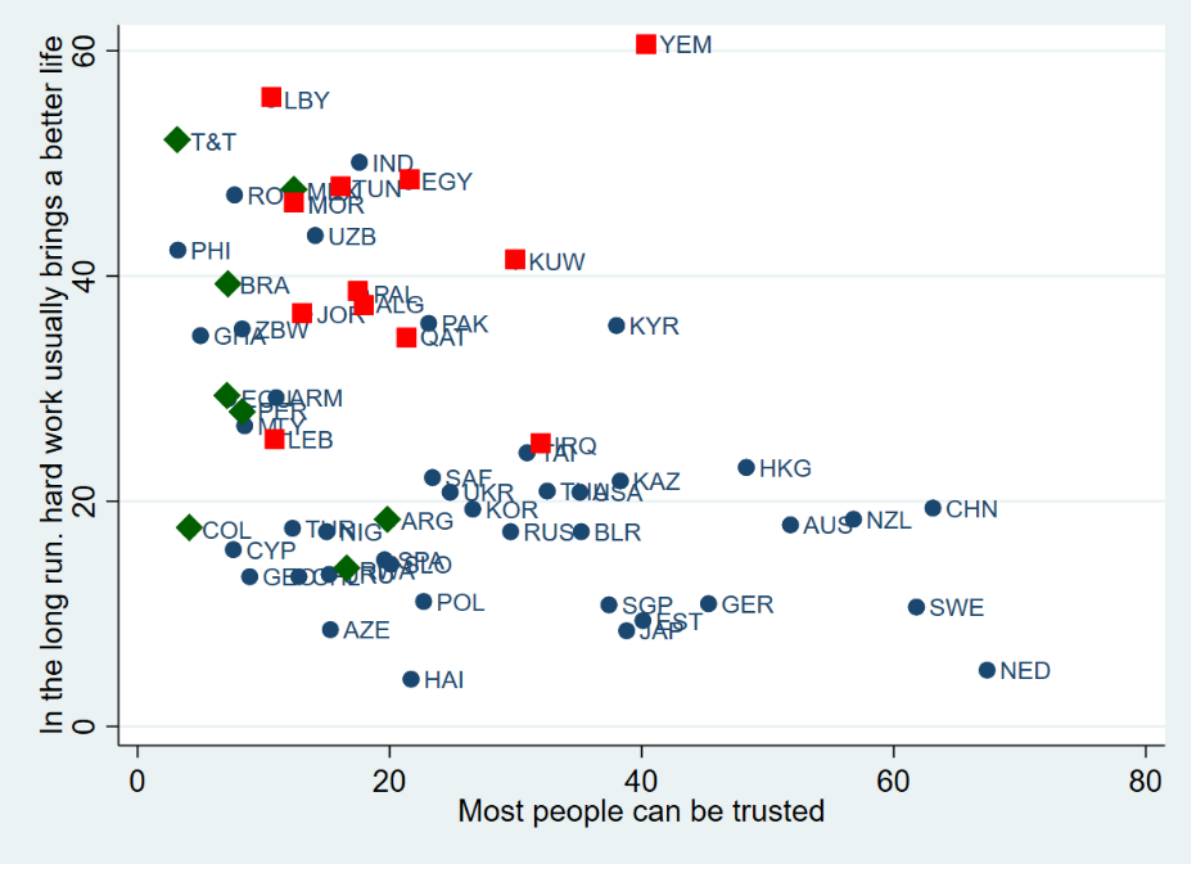
Moreover, trust is usually positively correlated with education. As shown in the table annex 7, this correlation is observed in Latin America and Eastern Europe. However, in the Arab region, trust seemingly does not increase with the educational level, but rather remains almost constant. This result is particularly considerable for Jordan, Libya, and the State of Palestine, where trust levels fell dramatically between the "no formal education" and "university degree" categories, representing a peculiarity of the Arab region at the global level.

Table annex 7. Trust levels by educational attainments and region

Highest level of education	Arab States	Latin America	Eastern Europe
Primary school	19.5%	8.4%	10.4%
Secondary school	18.9%	9.7%	17.3%
University degree	19.3%	15.1%	25.2%
Average	19.6%	9.7%	19.7%
Number of countries	12	9	10

Finally, it may be observed that the lower the interpersonal trust, the higher is the belief in individual hard work as a means of achieving economic success. This is well demonstrated in figure annex 9, which shows a clear negative relationship between interpersonal trust and the belief that hard work leads to better living standards. In particular, respondents from Arab States demonstrated very high confidence in their abilities to reach their life goals without external intervention by the State or other socioeconomic actors. This highlights the distrust toward the Government; between 50 and 80 per cent of respondents in the Arab States affirmed that they did not trust the central Government.[216]

Figure annex 9. Relationship between interpersonal trust and belief in hard work as driver of economic success



Source: Chiodi and Nicoletti, elaboration on data from World Values Survey, 2014.
Note: Red squares represent Arab countries, while green diamonds represent Latin American countries and blue circles represent countries from the rest of the world.

Table annex 8. Hard work brings success, by country

Country	In the long run, hard work usually brings a better life	2	3	4	5	6	7	8	9	It´s more a matter of luck and connections	Mean	Standard Deviation
Algeria	37,5	7	7,9	5,5	11,5	3,5	7	5,6	5,5	9	**4,09**	**3,18**
Egypt	48,4	13,1	13,5	4,3	6,4	5,8	3,3	2,3	1,6	1,3	**2,68**	**2,26**
Iraq	25	28,3	16,1	7,2	7,6	3,6	3,2	3,1	2,9	3	**3,22**	**2,4**
Jordan	36,6	10,7	7,2	6,3	10,8	6	6,7	5,5	3,8	6,5	**3,85**	**2,98**
Kuwait	41,3	9,1	4	5,4	10,6	6	5,8	5,1	3	9,7	**3,87**	**3,17**
Lebanon	25,5	10,8	7,8	9	10,1	9,8	10,1	8,1	3,9	5	**4,36**	**2,86**
Libya	55,7	6,7	6,8	3,4	8,5	2,7	3,3	3	2,7	7,2	**3,05**	**2,95**
Morocco	46,4	6,9	6,2	3,8	11	3,5	4	4,5	1,3	12,3	**3,69**	**3,24**
Palestine	38,4	16,7	9,3	8,1	8,6	5,5	4,2	3,1	2,5	3,5	**3,2**	**2,58**
Qatar	34,6	5,3	3,2	2,5	10	8,8	6,5	5,9	7	16,2	**4,86**	**3,49**
Tunisia	47,8	6,8	5,7	5,1	13,9	6,9	4,5	2,3	1,1	5,9	**3,29**	**2,78**
Yemen	60,6	16,7	8,1	3,2	4,3	1,5	1,3	0,7	0,7	2,9	**2,12**	**2,05**
Average	42,2	11,2	8	5,2	9,4	5,2	4,9	4	3	6,8	**3,49**	**2,94**

Source: World Values Survey, 2014

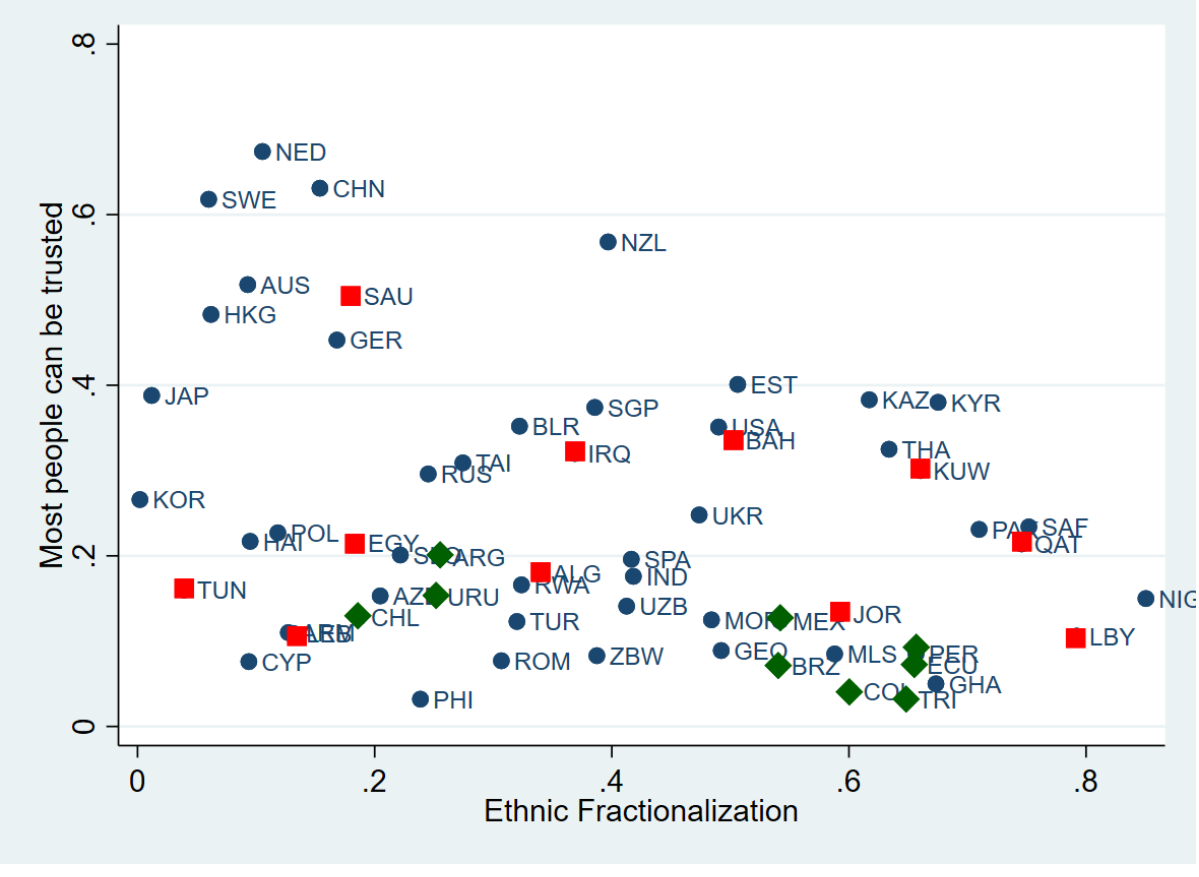
Inclusion of Ethnic and Religious Minorities

When trying to include ethnicity in the analysis, the situation appears more complicated. In figure annex 10, a measure of ethnic fractionalization developed by Alesina and others[217] was used to understand the relationship between the ethnical heterogeneity of societies and interpersonal trust.[218] As illustrated, a U-shaped relationship at the global level is visible; that is, the more ethnically homogenous a country is, the higher the percentage of people agreeing with the statement "Most people can be trusted". For example, in highly ethnically homogenous countries, such as China, the Netherlands, and Sweden, more than 60 per cent of the population agreed with the previous statement. By contrast, in highly ethnically fractionalized countries, such as Ghana and Nigeria, trust levels are very low.

This negative relationship is also very clear for Latin America. The more ethnically homogenous countries (Argentina, Chile and Uruguay) have higher trust levels than their ethnically fractionalized neighbours (Brazil, Ecuador, Mexico, Peru, and Trinidad and Tobago).

With regard to the Arab States, this relationship is not so clear, and no significant trend seems to emerge. On the one hand, it may be seen that Libya, the most ethnically heterogenous country of the region, has the lowest trust level. On the other hand, more ethnically homogenous countries, such as Egypt, Lebanon and Tunisia, have lower levels of trust than several more ethnically fractionalized countries, such as Bahrain and Iraq. It would, therefore, be misleading to ascribe the Arab region's low levels of trust, or its increasing tendencies toward instability and conflict, to ethnical and religious differences and the presence of numerous ethnic groups.

Figure annex 10. The relationship between ethnic fractionalization and trust

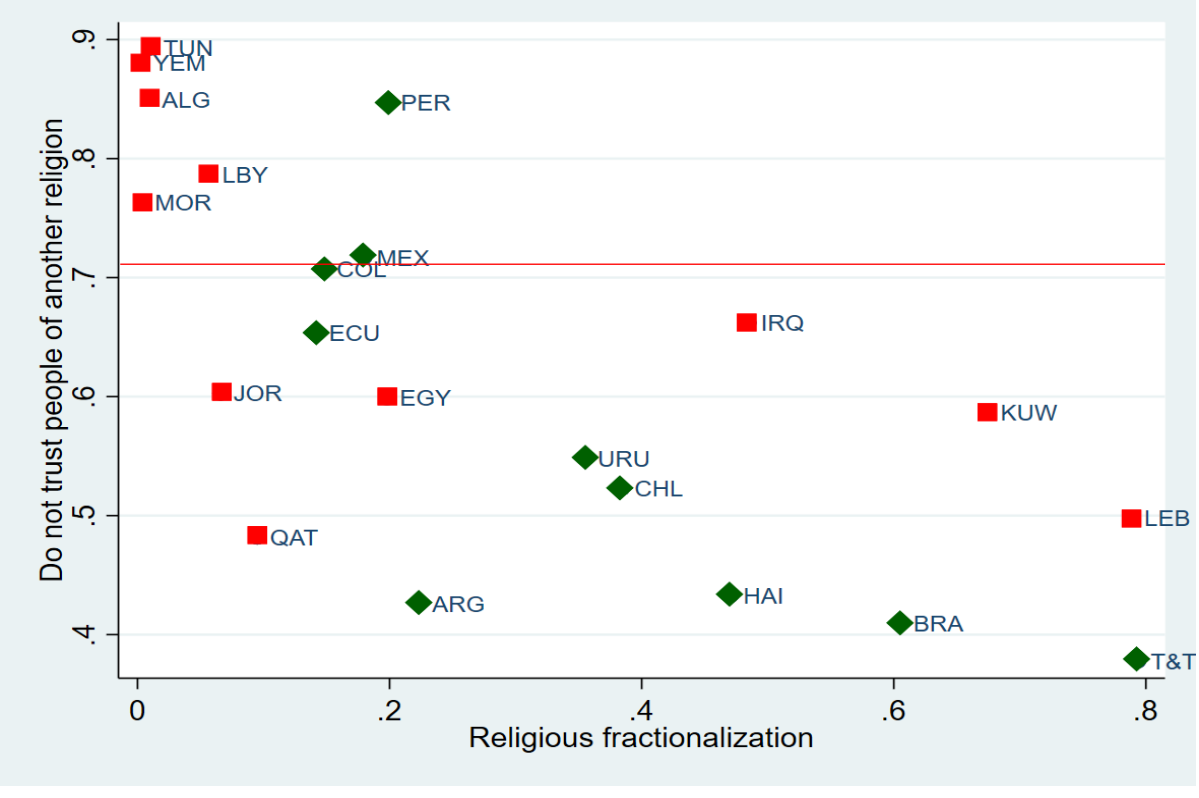


Sources: Chiodi and Nicoletti, elaboration on data from World Values Survey, 2014; Alesina, A. and others, 2003.
Note: Red squares represent Arab countries, while green diamonds represent Latin American countries and blue circles represent countries from the rest of the world.

Interestingly, in the Arab region, a negative relationship was observed between religious fractionalization and trust toward those holding different religious beliefs. In countries where the vast majority of the population is of one particular religion, the population has less trust toward those from different religious backgrounds. By contrast, in more religiously heterogenous countries, such as Kuwait and Lebanon, inhabitants tend to trust people of other religions more.[219]

Figure annex 11 demonstrates that this negative relationship between religious fractionalization and trust toward people of other religions is also evident in Latin America, where, however, trust in people from different religious backgrounds is higher.

Figure annex 11. Relationship between religious fractionalization and trust in the Arab region and Latin America



Sources: Chiodi and Nicoletti, elaboration on data from World Values Survey, 2014; Alesina, A. and others, 2003
Note: The red squares represent Arab countries, while the green diamonds represent Latin American countries.

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25. Gimpelson and Treisman, 2017.
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The Fourth Arab Governance Report advocates urgent action on several governance fronts and argues that exclusion, structural inequality, the feeling of disempowerment, and unattained human potential are increasingly causing popular discontent with States and their institutions and could eventually lead to further social unrest, political instability and serious conflict if left unattended. The report argues that, despite relative progress in the provision of public services such as access to basic health and education and improvements in general standards of living, which is however unevenly achieved across the region, progress in the Arab region still falls short of its potential. The number of poor has been increasing, and the intractable problem of unemployment and underemployment is still inadequately addressed; rising and systemic inequality, inadequate access to justice and economic opportunities, exclusion, disregard to human rights, shrinking political space, growing repression, and tightening freedoms are all factors undermining progress towards achieving the 2030 Agenda in most Arab countries. Poor accountability, corruption, insufficient transparency, capture of the elite of collective resources, and weak State institutions including the public administration have all contributed to the insufficient growth of political and institutional systems that would allow for a public-responsive polity to evolve. The COVID-19 pandemic underscores the inadequate level of preparation of public institutions to address old and emerging challenges and unveils the dangerously growing gap of trust between the State and its citizens. This report stresses the urgency to address deep-seated challenges, namely, inequality, exclusion and disempowerment and suggests policy options in this regard. It furthermore underlines the concept of human security and its foundational importance to all future governance reforms in the Arab region for sustainable development.

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