EU policy has failed to support inclusive economic growth in the MENA. People throughout the region perceive the MENAs poor economic performance and lack of inclusive growth as the main drivers of the Arab Uprisings and of ongoing political and economic instability. The EU must develop policies that support inclusive economic growth in practice as well as in principle. Steps the EU can take include:

- Dring international efforts to prevent illicit financial flows, thereby increasing revenues in both developing and developed countries;
- Improving technical support for the fight against corruption in both government and business;
- Ensuring trade deals benefit both MENA countries and the EU - at present MENA countries have balance of trade deficits with the EU;
- Using development assistance to support job creation, especially decent jobs for youth;
- Encouraging EU/ODA in enterprises creating decent employment;
- Reducing remittances transfer costs, given their importance to household and national budgets;
- Reviewing Mobility Partnerships to ensure MENA countries also benefit. At present, they treat migration as a security issue. MENA countries are reluctant to negotiate terms because they do not see how they benefit.

The Arab Transformations
Policy Brief 3
Socio-Economic Inequality and the Failure of Development Strategies for the Middle East

Introduction
EU policies for economic development in the Middle East and North Africa (MENA) rely on liberalising markets and trade, and on loans. These strategies failed to deliver inclusive development, and increased income and wealth polarisation, facillating the emergence of crony capitalism and reduced opportunities to find decent jobs. This helped spark the Arab Uprisings.

Public opinion surveys before the Uprisings show people were dissatisfied with their living standards; both working and middle classes became increasingly frustrated by a system in which connections (wasta) mattered more than merit, public services deteriorated, and poverty in increased. This eroded the authoritarian social contract by which citizens implicitly traded restrictions in political freedoms for improved material conditions. The Uprisings were made possible precisely by a convergence of working and middle classes under pressure from growing political and economic grievances and a perceived inability or refusal of governments capable of bring economic benefits to the population to act. Policy Brief prepared by Pamela Abbott and Andrea Teti

SUMMARY
- The main drivers of the Arab Uprisings were economic and political instability, with knock-on effects on regional and global stability.
- Poor economic growth and lack of inclusive policies is a key cause of insecurity.
- People believe the best way the EU can help is by helping find jobs, increase economic security and combat corruption.
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KEYWORDS
- Economic security, employment, corruption, development assistance, trade, mobility partnerships, European Union, Arab Spring

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The Perceived Causes of the Arab Uprisings

Grievances in 2014

People’s concerns remain largely unchanged before and after the Uprisings. Despite the divergent histories and current situations of each country, the issues people most frequently named as one of the two main challenges for their countries were economic conditions and rights including employment and inflation, and — with some of the highest rates in the world. Egyptians were least likely to think government was delivering, with only four per cent of Libyans thinking they were performing well in fighting inflation or reducing inequalities and nine per cent in creating employment opportunities. Egyptians were most optimistic, but even here less than 40 per cent thought the government was performing well on job creation, 30 per cent on inclusiveness and just under a quarter on fighting inflation.

People were also disillusioned with how the economy was developing or in delivering public services, which are crucial to people’s daily lives. Given the low scores Tunisians gave to their country and the economic situation, they are surprisingly the most optimistic, but even here less than 40 per cent thought the government was making a determined effort (from a low of 6 per cent in Tunisia to a high of 53 per cent in Morocco).

Conclusion and Recommendations

The economic position of both households and countries was not rated highly in 2014 and was generally seen to have got worse since 2009. In Tunisia and Jordan, the decline in average scores for 2014 compared to 2009 for both the household and the country’s economic situation is very noticeable. By contrast, Iraqis and Moroccans report little difference, but with scores that are comparatively low in both years.

FIGURE 5: SATISFACTION WITH HOW THE ECONOMY AND GOVERNMENT SERVICES ARE DEVELOPING (%)

On average, except in Morocco, citizens across all countries agree that the general situation of both their families and their country got worse between 2009 and 2014 both generally and in terms of economic conditions, political, and security situation. Their families’ predicament was nearly always better than that of the country, and the perceived decline in this general perception was notably greater in Jordan, Libya and Tunisia.

FIGURE 6: CONCERN ABOUT SECURITY OF EMPLOYMENT (%)