



Deutsches Institut für  
Entwicklungspolitik



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Public panel discussion:

## **Towards a new social contract for stability and development in the Middle East and North Africa (MENA)“**

Deutsche Welle, Kurt-Schumacher-Str. 3, Bonn, 05 December 2016, 17.30-19.00h

Organised by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

Countries in the Middle East and North Africa (MENA) need a new social contract. The upheavals that took place in 2011 and became known as “the Arab Spring” have shown that the **MENA countries were much more fragile than many governments and observers had expected**. They were built on a social contract that stipulated the distribution of benefits (government jobs, subsidies, transfers, free health care, housing) by governments to citizens as compensation for the lack of political participation. But with growing populations and declining state revenues, governments were less and less able to fulfil their duties and had to focus their spending increasingly on strategically important social groups. And still, citizens continued to have no real voice in politics, which finally drove them to the streets calling for: “Bread! Freedom! Social justice!”

Since then, **only Tunisia has seriously started the quest for a new, more sustainable social contract**. Syria, Yemen and Libya descended into atrocious civil wars. And the majority of MENA countries continue to be ruled by their old authoritarian regimes: a king, a state-party or the army. In the short run, these states may be stable. In the longer run, however, many risk imploding because their **fundamental problems have not yet been solved**: Political repression has increased, not decreased. Governments have proved unable to accelerate social or economic development. If they fail to implement comprehensive political, economic and social reforms as soon as possible, **a new wave of revolts, revolutions and civil wars across the region is likely**, and could be even more bloody and lengthy than the civil wars that started in 2011 with the so-called Arab Spring.

**The question is, therefore, what reforms are needed to safeguard and re-establish stability and development in the MENA region?** Can MENA countries reach a new arrangement between state and society that is better for all relevant actors than the current situation, and therefore acceptable? As a minimum, society would ask for more accountability in the public administration, better targeted social spending and better coordination between the government and private investors on the design of economic and industrial policies. And the ruling regimes might agree on reforms in these areas once they understand that the reforms would improve the satisfaction of citizens and thereby lower their readiness to participate in a revolt.

### Introductory note:

*Christiane Bögemann-Hagedorn, Director for North Africa and the Middle East, South-Eastern and Eastern Europe and Latin America, Federal Ministry for Economic Cooperation and Development (BMZ), Bonn, Germany*

### Keynote speech:

*Shanta Devarajan, Chief Economist for the Middle East and North Africa Region, World Bank*

### Additional panel discussants:

*Steven Heydemann, Professor for Middle East Studies, Smith College, Northampton, Massachusetts*

*Nidal Katamine, Former Minister of Labour, Hashemite Kingdom of Jordan, and Professor at Hashemite University*

*Samar Muhareb, Director, ARDD-Legal Aid, Amman, Hashemite Kingdom of Jordan*

### Moderation:

*Markus Loewe, Senior Researcher, German Development Institute, Bonn, Germany*