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Deutsches Institut für  
Entwicklungspolitik

German Development  
Institute



## **Stability and development in North Africa and the Middle East**

Research and policy advisory project of the  
German Development Institute / Deutsches In-  
stitut für Entwicklungspolitik (DIE)

[www.die-gdi.de/mena/](http://www.die-gdi.de/mena/)

## Background

A wave of protests was sparked in Tunisia in early 2011. It spread rapidly throughout the Middle East and North Africa (MENA) and became known as the Arab Spring. Demonstrators in many countries chanted "Bread! Freedom! Social justice!" (عيش ! حرية ! عدالة اجتماعية !) as they voiced their discontent at the lack of democracy and economic opportunities.

Much has changed since then – but unfortunately not always for the better. Tunisia has embarked on a difficult path to democracy. In other countries, the old rulers or the army have prevailed, and in some cases the authoritarian reins have been pulled more tightly than ever. Other countries find themselves in the midst of civil wars in which Islamist militants have gained power, while the influence of the former states have diminished.

The main questions now for Germany and Europe are how should they deal with the new situation, and how can they best contribute to development and stability in the MENA region. The DIE is addressing these questions in a research and advisory project financed by the Federal Ministry for Economic Cooperation and Development (BMZ).

## Research and policy questions

### *The Middle East and North Africa in global politics*

The first component of the project explores why certain MENA countries have literally imploded, and the role and influence of global and regional powers in these events.

The question can also be turned around: what influence do the latest developments in the MENA region have on global political, economic and environmental trends? How should German and European development, foreign and security policy respond to these trends? How can these policies be better interlinked? And what can Germany and the EU achieve in countries where there is neither security, nor a functioning state, or any other legitimate partners for cooperation?

### *A new social contract*

The second component of the project deals with countries such as Egypt, Morocco and Jordan. These states have not collapsed in the aftermath of the Arab Spring, but they have proven more fragile than many observers had expected. Is there a danger that they too could break down in the future? Which factors could provoke this? What can the governments in these countries do to guarantee long-term stability? The project explores the potential for a new social contract that would protect the countries' internal cohesion. Which institutions and actors would be best placed to overcome the very profound social polarisation in the majority of these countries? And what support can Germany and Europe offer to the ongoing economic, social, environmental and political reform processes?

### *Repositioning the MENA countries in the global economy*

The project's third component examines the economic basis on which MENA countries can build their future development. How can they achieve broad-based and ecologically sustainable socio-economic welfare gains? What potential lies in promoting small business activities? How much can the use of renewable energy contribute to labour-intensive industrialisation? How can social systems be both expanded and made more equitable and sustainable? And how can today's expensive and not particularly sustainable food and energy subsidies be reduced?

### *Future cooperation with the MENA region*

The project's fourth component explores courses of action that still exist for conventional development cooperation in the MENA region in the face of diminishing resources from western donor countries and growing contributions from new donor countries (Saudi Arabia, Qatar, China). German and European development policy may face new foreign policy challenges, such as the prospect that some countries in the region may not want Western aid any longer, preferring instead to secure more support from the Gulf states.

## Project objectives

The project bases its advisory work for policy makers in Germany, Europe and the MENA region on its research results. The objectives are to:

- identify ways that German and European actors can contribute to stabilisation and development in the MENA region under changing regional and national conditions;
- advise the MENA state governments on how they can develop strategies for sustainable economic development and political transformation; and
- outline institutions and processes that will lead to a higher degree of stability and cooperation in the region.

In addition, public roundtable discussions, workshops and conferences are organised during which academics, journalists and politicians will discuss controversial questions regarding development and stability in the MENA region.

## Selected events organised by the project

**The Future of Euro-Mediterranean Trade Cooperation: Deep and Comprehensive or Hub and Spokes?** 03 July 2018, Berlin

**Perspectives for a renewed partnership between Europe and the MENA**, 10 October 2017, Berlin

**Under threat: International freedom of research and press**, 25 January 2017, Bonn

**A new social contract for the Middle East and North Africa**, 05-06 December 2016, Bonn

**Our neighbour Algeria**, 28 June 2016, Bonn

**German and French foreign and development policy in North Africa**, 23-24 June 2016, Schloss Genshagen

**Morocco: from "Arab Spring" to democratic governance?** 23 June 2016, Bonn

**Stabilisation and development for Libya**, 16 March 2016, Berlin

**Water as a weapon of ,IS'**, 02 March 2016, Bonn

**How can the Arab Spring be saved?** 11 December 2015, Berlin

**How can development policy contribute to mitigating the migration crisis?** 03 December 2015, Bonn

**Advancing an international *Energiewende*: lessons from North Africa**, 29 June 2015, Potsdam

**Changing water politics in the Nile basin**, 17 June 2015, Bonn

## Publications

El-Haddad, A. / M. Gadallah (2018): **The Informalization of the Egyptian economy (1998-2012): a factor in growing wage inequality?** Cairo: ERF (Working Paper Series 1210)

Furness, M. (2018): **European neighbourhood policy decision-making at critical junctures: EU institutions, the member states and neighbourhood countries**, in: T. Schumacher / A. Marchetti / T. Demmelhuber (eds.), *The Routledge handbook on the European neighbourhood policy*, London, 200-210

Furness, M. / J. Bergmann (2018): **A European peace facility could make a pragmatic contribution to peacebuilding around the world**, Bonn: DIE (Briefing Paper 6/2018)

Furness, M. (2018): **Strategic policymaking and the German aid programme in the MENA region since the Arab uprisings**, Bonn: DIE (Discussion Paper 5/2018)

Houdret, A. / A. Harnisch (2018): **Decentralisation in Morocco: a solution to the "Arab Spring"?** in: *Journal of North African Studies* 12 April 2018

Houdret, A. / M. Furness (2018): **Germany and Europe cannot give up on North Africa**, Bonn: DIE (Current Column 26 February 2018)

Houdret, A. / I. Pasqua / S. Meknassi (2018): **Access to environmental information: a driver of accountable governance in Morocco and Tunisia?**, Bonn: DIE (Briefing Paper 10/2018)

Loewe, M. / R. Jawad (2018): **Introducing social protection in the Middle East and North Africa: prospects for a new social contract?** in: *International Social Security Review* 71 (2), 3-18

Trautner, B. / T. Zintl (2018): **Turkey in Syria – What is the renewed military offensive achieving?** Bonn: DIE (Current Column 31 January 2018)

Zintl, T. (2018): **When will we see the emancipation of Arab trade unions?** Bonn: DIE (Current Column 30 April 2018)

Auktor, G. / T. Hahn (2017): **The Effectiveness of Morocco's Industrial Policy in Promoting a National Automotive Industry**, Bonn: DIE (Discussion Paper 27/2017)

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El-Haddad, A. / J. Hodge / N. Manek (2017): **The political economy of a sector in crisis: Industrial policy and political connections in the Egyptian automotive industry**, Cairo: Economic Research Forum (ERF Working Paper 1112)

Furness, M. (2017): **Priorities for international cooperation with Libya: a development perspective**, in: *Mediterranean Politics* 22 (4), 545-552

Houdret, A. / A. Harnisch (2017): **Decentralisation in Morocco: the current reform and its possible contribution to political liberalisation**, Bonn: DIE (Discussion Paper 11/2017)

Houdret, A. / Z. Kadiri / L. Bossenbroek (2017): **A new rural social contract for the Maghreb? The political economy of access to water, land and rural development**, in: *Middle East Law and Governance* 9 (1), 20-42

Loewe, M. (2017): **Pension schemes in MENA: generous—but not to the poor!** in: *Policy in Focus* 14 (3), 11-14

Trautner, B. / M. Furness (2017): **Trump, der Nahe Osten und Deutschland**, Bonn: DIE (Current Column, 19 January 2017)

Altenburg, T. / A. Hampel-Milagrosa / M. Loewe (2016): **A decade on: how relevant is the regulatory environment for micro and small enterprise upgrading after all?** in: *The European Journal of Development Research* 29 (2), 457-475

El-Haddad, A. (2016): **Female wages in the Egyptian textiles and clothing industry: Low pay and discrimination**, in: *FEPS Review of Economics and Political Sciences* 1 (1), 1-35

El-Haddad, A. (2016): **Government intervention with no structural transformation: The challenges of Egyptian industrial policy in comparative perspective (in Arabic)**, Cairo: ERF (Working Paper 1038)

Furness, M. (2016): **Policy coherence for development and the security-development nexus in EU external relations**, in: European Parliament (ed.), *EU policy coherence for development: the challenge of sustainability*, Brussels, 22-35

Furness, M. / S. Gänzle (2016): **The European Union's development policy: A balancing act between 'a more comprehensive approach' and creeping securitization**, in: S. Brown / J. Gravingholt (eds.), *The securitization of foreign aid*, Houndmills, Basingstoke: Palgrave Macmillan, 138-162

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Schäfer, I. (2016): **Fostering a youth sensitive approach in the EU's policies towards the South and East Mediterranean Countries: The case of Tunisia**, in: S. Colombo (ed.), *Youth activism in the South and East Mediterranean countries since the Arab uprisings*, Rom, Barcelona: IAI/ IEMed, 60-74

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Furness, M. / A. Houdret (2015): **Was zur Entschärfung der syrischen Flüchtlingskrise getan werden sollte – und was nicht**, Bonn: DIE (Current Column, 08 September 2015)

Hampel-Milagrosa, A. / M. Loewe / C. Reeg (2015): **The entrepreneur makes a difference: Evidence on MSE upgrading factors from Egypt, India, and the Philippines**. in: *World Development* 66 (2), 118-130

Loewe, M. (2015): **Ausbau des Suezkanals: Was hat Ägypten davon?** Bonn: DIE (Current Column, 24 August 2015)

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## The DIE

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Research at DIE is theory-based, empirically driven and application-oriented. It provides the basis for the consulting activities of the Institute. DIE develops policy-relevant concepts, advises ministries, governments and international organisations, and refers to current policy issues.

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