

10 years after the Arab Uprisings

# Germany and Europe need to provide stronger support to COVID-19 recovery in the MENA region

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Europe's southern neighbourhood, the Middle East and North Africa (MENA) region, needs stronger support from Germany and the EU in recovering from the COVID-19 pandemic. Europeans have mobilised some short-term support to health systems and small businesses, and have started to organise longer-term recovery programmes via 'Team Europe' initiatives. While these initiatives are valuable, they are unlikely to be sufficient.

The COVID-19 pandemic's social and economic fallout is compounding the pressure on MENA countries' strained social contracts. The breakdown of the deal, in which governments delivered a decent standard of living in return for citizens' tacit acceptance of authoritarian political systems, was the main driver of the Arab Uprisings a decade ago. Pressure on the social contracts also drove the so-called 'Arab Spring 2.0' protests, which rocked Algeria, Sudan, Jordan and Lebanon before they were shut down due to the pandemic in 2020.

The pandemic has severely worsened the economic situation in many countries, where slow growth, high budget deficits and austerity policies hollowing out public services have been the norm for several years. Public health institutions have long been underfunded, and citizens have to bear the costs themselves. Tunisia's budget crisis is due to a mismatch between public expectations regarding public spending and what an instable government has been able to deliver. The pandemic has further restrained economic growth and exacerbated inequality.

Citizens' trust in governments has suffered further due to their inability to react to COVID-19. In Jordan, for example, tension has arisen between public sector workers who have not been affected as much by the crisis and people working in the private and informal sectors, who have suffered more from the strict lockdowns.

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These tensions are unlikely to abate as the pandemic eases. The World Bank predicts that any recovery in the region will not be 'V-shaped', but rather 'K-shaped', meaning that some people in society will benefit and others will not, exacerbating existing inequalities. Women are the most vulnerable, and the pandemic and its aftermath are likely to also leave behind informal sector workers, migrants and refugees.

Facilitating the distribution of COVID-19 vaccines to MENA countries is the most pressing and obvious task. By the 3rd or 4th quarter of 2021, EU countries are likely to have large quantities of over-ordered vaccines at their disposal. These stockpiles should be distributed either via the WHO's Covax initiative, which Germany has started to support, or bilaterally. A high-profile, visibly European effort to get vaccines distributed in the Southern Mediterranean region would provide an important signal of commitment.

A second key area of support is debt relief, so that MENA governments are able to balance their budgets without reducing public services further. EU initiatives to forgive or restructure old debt or new financing instruments should be coupled with clear strategies to a) improve public services, especially in the health sector and to provide meaningful social protection for all; b) improve governance with investments in digitalisation and public infrastructure; and c) begin de-carbonising the economy.

This leads to a third key area for cooperation with longer-term recovery in mind: the green transformation. The German government and the EU Commission have both started to prioritise this issue and it is key for the future of the region's social contracts. The MENA's oil wealth has long disincentivised building a green economy, but the need to diversify away from hydrocarbons is now recognised across the region. Climate-friendly infrastructure projects, such as solar energy plants or green urban infrastructure and transportation, are job intensive and could integrate informal workers suffering from the pandemic into the formal economy.

A decade after the Arab Uprisings, it remains too early to say whether the desire for political transformation will result in more representative governments in MENA countries, and whether the COVID-19 pandemic will be a driver of change. Ideally, the MENA's COVID-19 recovery would be embedded in deeper political reforms, leading to more resilient social contracts providing better services and more accountable representation.

The challenge for Germany and Europe in supporting MENA countries' recovery from COVID-19 is therefore twofold. On the one hand, Europeans need to prioritise support for initiatives that benefit ordinary people, like vaccines, services and green jobs, within the constraints of relations with MENA governments. On the other hand, while cooperation with authoritarian governments is unavoidable, Europeans are well advised to observe the principles that they espouse: civil and human rights, economic fairness, and responsive and accountable government. Providing stronger support to the MENA will be expensive. However, the political and economic costs of inaction in the face of this once-in-a-century crisis are certainly far greater.