

Why Does the Arab Spring Keep Coming Back?

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Abstract

Why, despite inequality remaining low and stable, have widespread protests broken out in seven Arab countries in the last two years? We show that popular uprisings are mainly associated with people's dissatisfaction with their lives. And levels of "suffering" and "struggling" are particularly high and increasing in the Arab world. The reason is that most Arab governments are not addressing the underlying cause of the Arab Spring, namely a broken social contract. Instead of seeking a new social contract, some governments seem to be trying to restore the old one, which is just as unsustainable today as it was in 2011. Absent fundamental changes towards a new social contract, the Arab Spring is likely to recur.

JEL Classification: D63, I30, H40

Keywords: Arab Spring, inequality, welfare, subjective wellbeing, grievances, Arab countries, Middle East and North Africa

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1. Introduction

A decade ago, the Arab Spring shook the Middle East and North Africa (MENA) with revolutions in Tunisia, Egypt, Yemen, Libya, and Syria and mass protests in almost all other countries. In Egypt, Libya, Tunisia, and Yemen, the uprisings overthrew authoritarian governments and launched a period of difficult transitions, which in the cases of Libya and Yemen, alongside Syria and Iraq, have turned into protracted civil wars. In the last two years, the Arab Spring has returned with mass protests in Tunisia, Jordan, Iraq, Egypt, Lebanon, Algeria and Sudan. In the latter two countries, long-serving autocrats have stepped down.

Why did the Arab Spring return? Will it keep coming back? In this paper, we answer these questions by building on our earlier work (Devarajan and Ianchovichina, 2018) that tried to solve a puzzle about the first Arab Spring: Why, despite economic growth, declining poverty, low inequality, and good human capital indicators, did citizens of so many Arab countries stage widespread protests? A clue to the puzzle was the observation that, while the economic indicators were largely favorable, MENA was the unhappiest region in the world. We suggested that both the favorable economic performance and the current unhappiness were due to the social contract that was in all MENA countries since independence: the state would provide public-sector jobs, subsidized food and fuel, free education and health, in return for which citizens, despite cronyism and authoritarian rule, would keep their voices low. This contract led to low poverty and inequality, and high access to health and education. However, by the late 2000s, the state was no longer able to provide public-sector jobs; the quality of the “free” education and health was extremely poor; and the food and fuel subsidies were hugely inefficient, inequitable and crowding out essential public expenditures. The citizens, in particular the middle class, were

unhappy. Since the state had failed to keep its side of the bargain, citizens felt no need to keep theirs, and raised their voices in protest. The social contract was broken.

The aftermath of the Arab Spring has been turbulent. Where civil wars have broken out, governments have focused on winning the wars or restoring peace (or both). In other countries, political tensions and fear of social unrest have meant that the fundamental reforms needed to stimulate private-sector jobs and growth have not taken place. Egypt has replaced some energy subsidies with cash transfers; Tunisia has seen some banking and telecommunications reform. But these have not been enough to attract much-needed foreign investment, which is lower today than it was before the Arab Spring (International Monetary Fund, 2019; World Bank, 2019). There is some evidence that, despite the overthrow of some of the corrupt leaders, cronyism continues to pervade the economy (Rijkers et al., 2017). Repression, including curtailing of journalists and civil-society groups, has increased (Committee to Protect Journalists, 2019; Schnakenberg and Farris, 2014). Interestingly, as we show in this paper, inequality remains moderate and has even declined in some countries, but the levels of unhappiness, already high before the Arab Spring, have risen. Rates of “suffering” and “struggling” in Tunisia, Jordan, Egypt, Algeria and Iran are increasing.

These developments suggest that the Arab Spring keeps coming back because governments have not yet addressed the underlying cause of people’s unhappiness, namely, a broken social contract. Instead of seeking a new social contract, some governments appear to be trying to restore the old one. But the old social contract is unsustainable today, just as it was in 2010. And people’s dissatisfaction will continue to increase. In short, absent fundamental changes towards a new social contract, the Arab Spring is likely to recur.

We make our argument in three steps. In section 2, we review the literature on peaceful uprisings, focusing on the main theories and empirical evidence. While inequality features in the theory of grievance-induced civil wars, the empirical evidence linking inequality with peaceful uprisings and mass protests is weak. By contrast, measures of subjective well-being have a stronger connection with peaceful uprisings. In section 3, we apply this literature to the root causes of the Arab Spring, corroborating the fact that it was a broken social contract, rather than inequality, which triggered the 2011 uprisings. Section 4 compares the conditions that ushered in the Arab Spring with those that have accompanied its comeback, showing that the social contract remains broken and levels of unhappiness have only increased. Section 5 concludes with comments about the way forward.

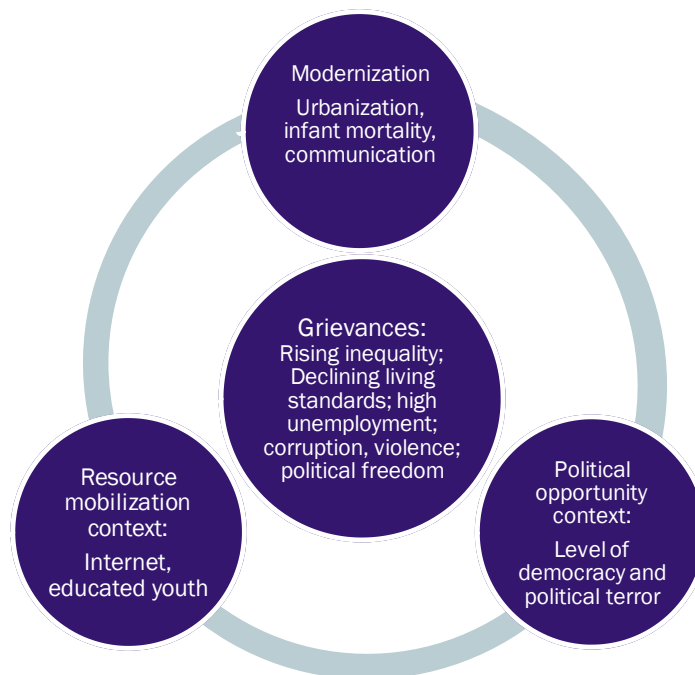
2. Root causes of peaceful uprisings: theories and empirical evidence

Several theories can help us think about the factors that fuel peaceful uprisings. Two of them focus on the role of grievances (Figure 1). Since antiquity, high and rising economic inequality have been known as a grievance that is toxic to social cohesion and harmful to political stability (Muller 1985). Political instability in turn could harm investment, sustainable growth, and progress in human development (Berg et al., 2018; Burger et al., 2015). The second theory, proposed by Gurr (1970), tells us that grievances linked to feelings of relative deprivation – defined as the gap between expectations and achievement – increase the likelihood of popular uprisings.

Three other theories focus on the context that determines whether people can in fact organize and rebel against those in power (Figure 1). The resource-mobilization theory posits that without resources and skills, it is impossible to mobilize mass participation in nonviolent protests

(McCarthy and Zald, 1977). Proponents of this theory argue that (online) social networks have made it easier to organize large protests as well as to spread unrest through contagion. The political-opportunity theory suggests that countries that are unable to suppress mobilization are especially likely to experience social unrest (McAdam, 1982). This is particularly the case in low-income and fragile and conflict-affected countries where institutions are weak or absent. Conversely, according to the modernization theory, as countries become more developed and urbanized and their citizens more educated and affluent, people's values change and they start placing greater emphasis on political participation and civil rights. Therefore, economic development can also increase the probability of protests, (Lipset, 1959).

Figure 1. Root causes of peaceful uprisings: A framework



Source: Modified from Witte, Burger and Ianchovichina (2020).

While these theories are not new, surprisingly little is known about their empirical validity. The inequality and grievance-based theories have been tested in the context of *armed* uprisings

and civil wars (Muller, 1985; Collier and Hoeffler, Esteban and Ray, 2008, and Miguel et al., 2004), but not peaceful protests. Chenoweth and Ulfelder (2017) provide the first systematic examination of the structural theories for peaceful uprising and show that neither grievance-based models, nor models based on other explanations, including modernization, resource-mobilization, and political-opportunity theories, provide reliable predictions of nonviolent uprisings. In a recent paper, Witte, Burger and Ianchovichina (2020) empirically test these theories again. Unlike Chenoweth and Ulfelder (2017), in addition to objective data, they use subjective well-being indicators to capture popular grievances, while also controlling for and testing the importance of different contexts mentioned in the political-opportunity, resource-mobilization, and modernization theories.

Witte et al. (2020) motivate their use of subjective well-being by citing recent empirical studies, which give three main reasons why measures of subjective well-being complement financial and social indicators as independent variables in research on human development (e.g. Helliwell, Layard & Sachs, 2017; Graham & Nikolova, 2015; Manski, 2004; Oswald & Wu, 2010). First, since grievance measures refer to perceptions rather than objective circumstances and are value- and preference-based, they are more likely to be tracked accurately by subjective rather than monetary measures of utility (Witte et al., 2020). As noted by Veenhoven (2000), objective measures merely indicate the conditions for a good life, while subjective well-being measures tell us whether these conditions have actually translated into a good life. In addition, the effect of improvements in objective indicators on subjective well-being most likely varies across individuals, countries, and time (Deaton et al., 2009; Frey and Stutzer, 2000; Radcliff, 2001). While for some individuals or groups a lack of civil liberties is a key source of grievances, others might put more weight on monetary poverty. Second, growth tends to raise

expectations and aspirations (de Tocqueville, 1856). If unmet, these expectations can decrease well-being as described by the ‘tunnel effect’ (Hirschman, 1973). When these expectations are unmet, feelings of great disappointment and resentment can occur, which can in turn mobilize citizens to demand changes within the political system (Gurr, 1970). In these cases, objective indicators may reveal signs of optimism, whereas subjective indicators suggest that anti-government sentiments are on the rise. Third, monetary measures may not provide a complete picture of economic developments (Devarajan and Ianchovichina 2018). For example, an increase in expenditure-based measures of welfare may not reflect improved welfare but may simply signal that households have increased their spending on private services because of the deteriorating quality of public services. This situation occurs during periods of fiscal compression and public sector budget cuts, and it may lead people to adopt a variety of coping mechanisms, including depleting their private savings, increasing their indebtedness or working multiple jobs. Of course, all these choices may reduce the well-being of the household head, but they do not have an immediate negative effect on household expenditures and therefore may not be captured by surveys. Environmental quality, institutional quality, public safety, the fairness of the justice system, and control of corruption also have a significant influence on the quality of people’s lives and, therefore, their standards of living and welfare, but this influence may only be partially captured in household expenditures used to calculate monetary welfare measures of well-being.

To test the empirical validity of the main theories of social unrest, Witte et al. (2020) use data for 118 countries from 2007 to 2014 – a period that includes the Arab Spring. Their measure of life satisfaction combines both current and expected Cantril Ladder scores to reflect the importance of expectations. The ‘Cantril Ladder’ measures people’s views on how closely their

life fits their standard for a good life. The higher the score on the ladder, the closer one's life is to their ideal life (identified with the maximum score of 10). Since the scores are non-continuous they construct a continuous variable of subjective wellbeing by calculating the percentage of people that are suffering, i.e. those people with current and future life satisfaction scores of 4 or less. Witte et al. (2020) find that the incidence of peaceful protests and strikes tends to rise during growth slowdowns and recessions as well as during times of decreased subjective wellbeing, manifested in an increased incidence of suffering, and largely reflecting deteriorating living conditions and a decrease in the perceived ability of people to lead a purposeful and meaningful life.

Witte, Burger and Ianchovichina (2020) find that the effect of suffering on peaceful uprisings depends neither on the country's stage of development, nor on the political opportunities for rebellion and the ease of resource mobilization. This implies that the effect of a decrease in subjective well-being on non-violent conflict is relatively universal, but it might also be the result of data limitations. For example, data on income inequality, unemployment and literacy rates are scarce for many of the low-income countries. Witte et al. (2020) chose not to include these variables in the analysis in order to have as many countries as possible in their sample. Many of these variables as well as those capturing horizontal (e.g. ethnic or religious) or spatial inequalities can be regarded as time-invariant as they change slowly over time. The country-fixed effects therefore capture these variables, but one cannot trace their individual influence on the probability of peaceful uprisings. Furthermore, some of these grievances also provide context. High unemployment rates lower the opportunity cost of participating in a protest and could hence strengthen the relationship between suffering and uprisings.

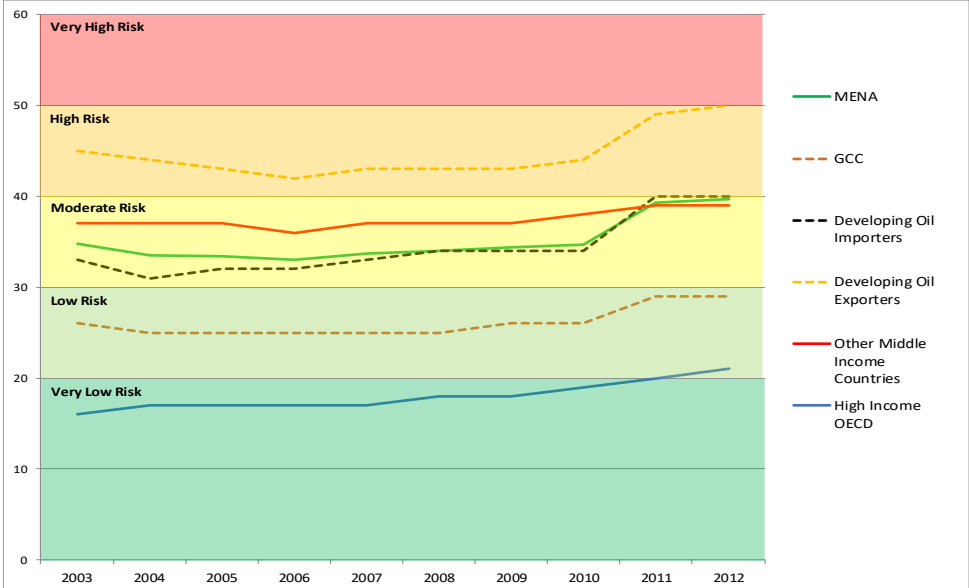
3. The case of the Arab Spring

In 2011, the Arab Spring caught the world by surprise as standard development indicators did not capture the growing discontent. For decades, most Arab states were more stable than other developing countries (Figure 2). Importantly, the Middle East and North Africa (MENA) had been making steady progress in reducing extreme poverty and achieving other Millennium Development Goals. The percentage of poor people in the region, already low, was declining on average (Figure 3) and the region reached its Millennium Development Goals related to poverty and access to infrastructure services (especially drinking water, sanitation, and internet connectivity). It also made important strides in reducing hunger, child and maternal mortality and increasing school enrollment (Iqbal and Kiendrebeogo, 2016). Remarkably, inequality of opportunity had declined in Egypt and some other MENA countries, according to Hassine (2011) and Assad, Krafft, Roemer, and Salehi-Isfahani (2015). Expenditure inequality, measured by the Gini index, was moderate by international standards and had declined in Tunisia, where the Arab Spring began, and in the other Arab Spring countries, where protests quickly followed (Figure 4).

Given its profound impact on the region, the onset of the Arab Spring triggered an intense debate about the reasons behind it. Income inequality was cited as one of the factors behind the Egyptian revolution by several authors, including Hlasny and Verme (2018), Nimeh (2013), Ncube and Anyanwu (2012), and Osborn (2011). Spatial inequality, which in the case of Syria was exacerbated by its worst-ever drought in the middle of the 2000s (Femia and Werrell 2012), was found to be important by Hassine (2015) and more recently by World Bank (2020). Yet, Devarajan and Ianchovichina (2018) found that grievances related to inequality did not lead to the Arab Spring. They solved the Arab ‘inequality’ puzzle – defined as the apparent disconnect

between relatively low and sometimes declining inequality in the Arab world and the series of uprisings in 2010-11 – by providing evidence that the same grievances that hurt people’s well-being and motivated them to protest were also symptoms of an outdated and broken social contract.

Figure 2: Political Instability Index

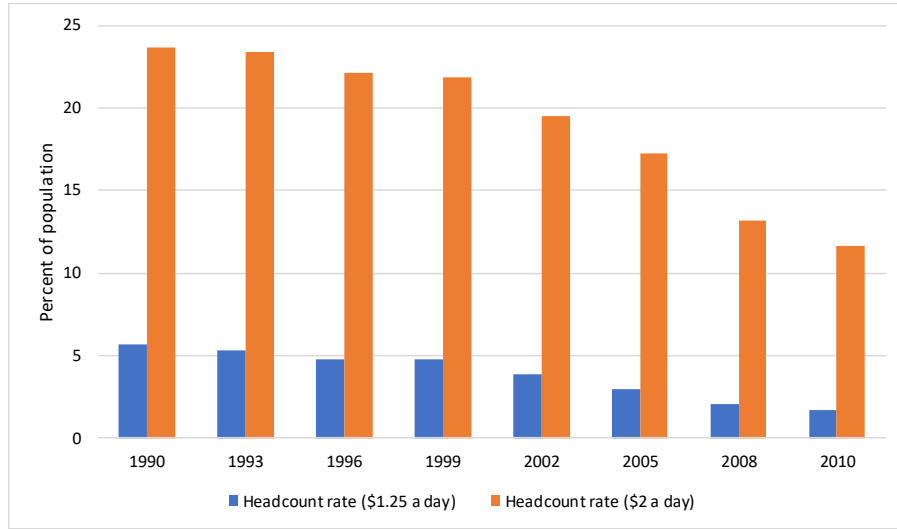


Source: Ianchovichina, Devarajan and Burger (2018) based on International Country Risk Guide database.

Note: An increase in the index reflect an increase in political instability.

The research by Witte et al. (2020) indicates that the role of suffering is universal, but grievances are often country-specific, or in the case of the Arab Spring, region-specific, as shown by Devarajan and Ianchovichina (2018). Drawing on an eclectic mix of objective and subjective data, Devarajan and Ianchovichina (2018) explore the grievances that explain the Arab Spring events, and specifically the question whether the uprisings were caused by an outrage over inequality or a broken social contract.

Figure 3: Poverty rates in the Middle East and North Africa (%)



Source: Devarajan and Ianchovichina (2018) based on data from PovcalNet, World Bank.

Measuring economic inequality is a difficult task, particularly in developing countries and especially in the Arab world, where comprehensive administrative information on income and wealth are generally unavailable. Inequality measures are often based on household surveys that suffer from several well-known shortcomings. Apart from the difficulty of recalling income and wealth information correctly, survey respondents may under-report expenditures or deliberately leave out income and wealth that result from illegal or informal activities. In addition, these surveys typically include only a few individuals at the very top of the income distribution, although capturing accurately the “top one percent” is crucial to estimating inequality (Alvaredo, 2011).

In an effort to generate a more accurate assessment of economic inequality, Devarajan and Ianchovichina (2018) combine different analytical approaches and data sources and conclude that expenditure inequality in Arab countries was moderate and, in many cases, declined during the 2000s (Figure 4). Importantly, expenditure inequality declined during the 2000s in Tunisia

and Egypt – the two countries where the Arab Spring revolutions started.¹ Inequality of opportunity also declined in many Arab countries in the years preceding the Arab Spring (Verme et al., 2014; Hassine, 2011). According to Assaad et al. (2015), the decline in inequality of opportunity was due to the declining standards of living of the middle class and their convergence to the standards of living of the poor. Findings in Dang and Ianchovichina (2015), who use synthetic panel analysis, are in line with this conclusion. They find that in the 2000s, the percentage of downwardly mobile Egyptians was much higher than the percentage of upwardly mobile ones. These welfare dynamics were even more pronounced in Yemen.

Furthermore, there was no relationship between changes in inequality and income growth in the period leading to the Arab Spring (Hassine, 2015). Both expenditure inequality and average per capita expenditures increased in Syria and the Palestinian Territories and decreased in Egypt. While there was an improvement in average welfare with a decline in inequality in Jordan and Tunisia, the opposite was observed in Yemen and Djibouti (Figure 4). Thus, the low income and high inequality pattern deepened in Djibouti and Yemen; growth was more broadly shared in Jordan and Tunisia, but in Syria and the West Bank and Gaza growth exacerbated inequality; expenditures contracted in real terms in Egypt but most of the burden fell on top earners and the middle class and expenditure inequality declined in the second half of the 2000s.

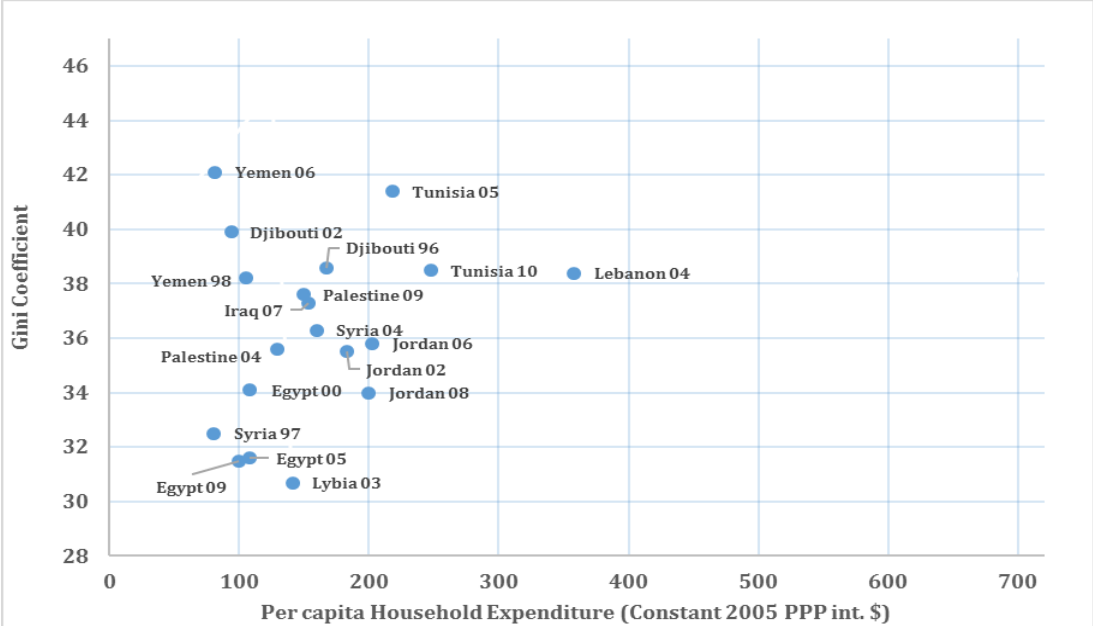
Devarajan and Ianchovichina (2018) then turn to the Cantril Ladder scores that capture people's views about their wellbeing on the eve of the Arab Spring. In line with Witte et al. (2020), they place primary importance on people's evaluations of their own lives² and found that the incidence of suffering increased before the emergence of social discontent in the Arab world.

¹Evidence from house prices in Egypt suggested that the level of expenditure inequality was higher than that obtained based on household surveys (van der Weide et al. 2016)

² Population-based samples in each country enable cross-country comparisons.

Not only were the average levels of subjective wellbeing relatively low, but they declined steeply in the Arab Spring countries prior to 2011 (Figure 5). At the same time, economic growth was relatively strong during this period (Figure 6). Arampatzi et al. (2015) call this phenomenon of declining levels of happiness during a period of moderate-to-rapid economic growth the ‘unhappy development paradox’.

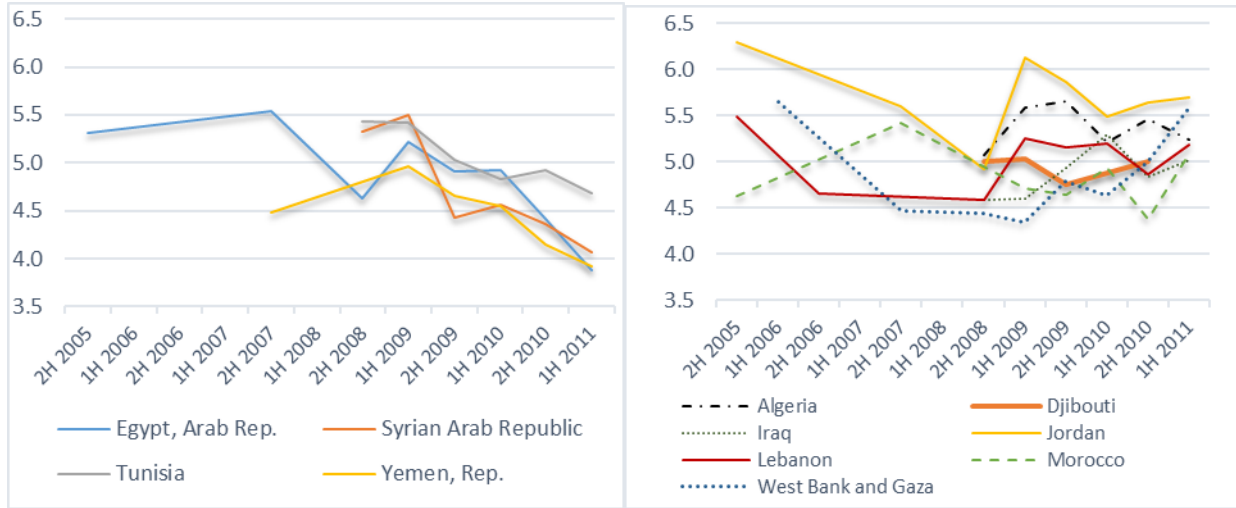
Figure 4: Expenditure inequality and growth in MENA



Source: Hassine (2015). Total expenditure per capita include expenditure on food, nonfood, housing and durables.

These measures of subjective wellbeing indicate that on the eve of the Arab Spring, Arab people felt stuck. The middle class in particular was frustrated as indicated by steeper declines for the top 60 percent of the population than the bottom 40 percent (Ianchovichina, 2018). Arampatzi et al. (2018) narrowed down the grievances driving the decline in life satisfaction to three main areas: dissatisfaction with deteriorating standards of living (or quality of life), unemployment and shortage of formal-sector jobs, and ‘wasta’ (or the inability to get ahead without connections).

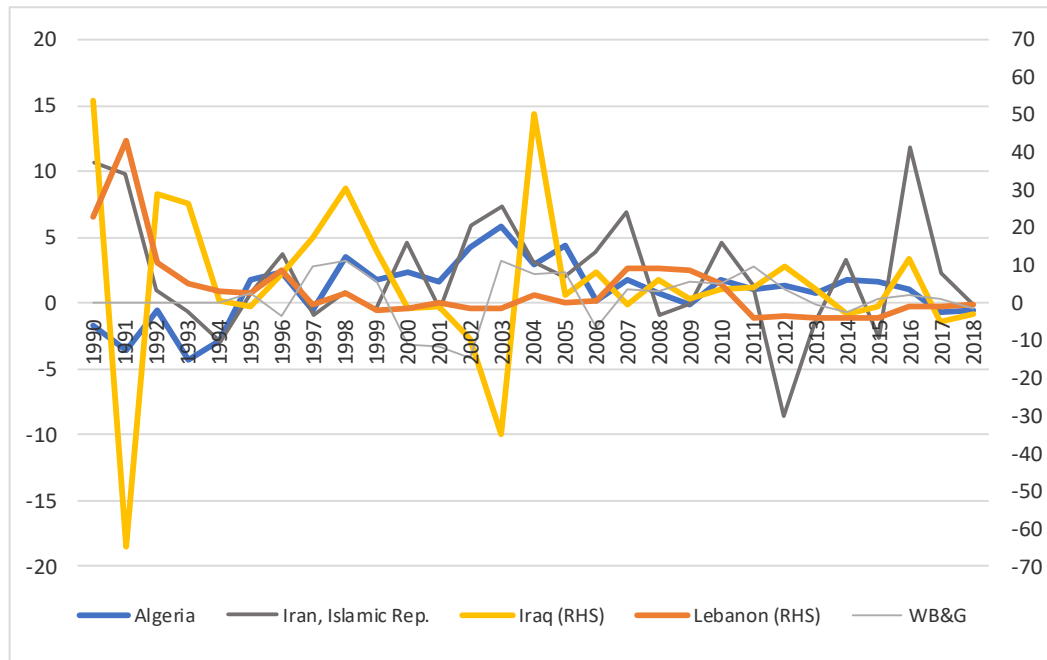
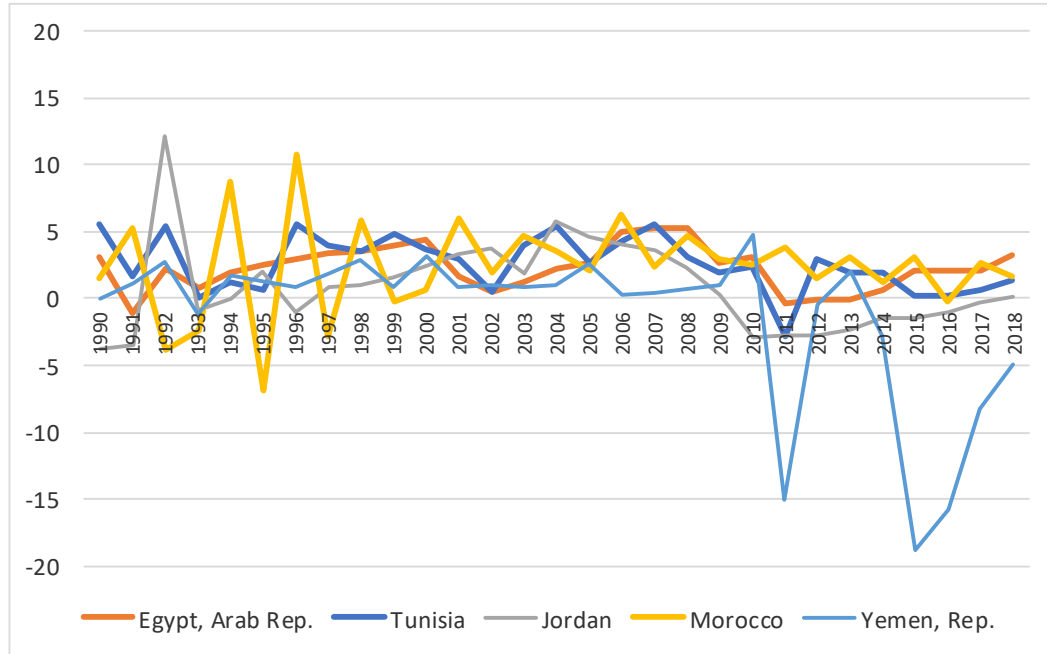
Figure 5: Life satisfaction during the second half of the 2000s



Source: Gallup World Poll data for Cantril Ladder scores. Note: Not enough data points for Iran and Libya.

Devarajan and Ianchovichina (2018) argue that these sources of public dissatisfaction, especially among the middle class, were signs of a broken social contract between Arab governments and citizens. This contract had remained in place in all MENA countries since independence. The state’s role was to provide jobs in the public sector, free education and health, and subsidized food and fuel to all citizens. Perhaps in return for the state’s largesse, citizens kept their voices low and tolerated some levels of repression and elite capture in the private sector. This social contract delivered results. The food subsidies, although expensive and poorly targeted, did keep the poor fed. The public-sector worker’s salary also served as a safety net for a large number of family members. Access to education and health improved faster than anywhere else in the developing world (Iqbal and Kiendrebeogo, 2016). As a result, poverty rates fell (Figure 3), with extreme poverty—the percentage of people living on less than \$1.25 a day—reaching levels that were among the lowest in the world (Ianchovichina, 2018).

Figure 6: Growth in per capita GDP in MENA countries



Data source: World Bank and OECD.

Starting in the 2000s, however, it became clear that this contract was not sustainable. The public sector could no longer be the employer of first resort. Fiscal imbalances grew, reflecting

disappointing growth in the 1980s and growing recurrent expenditures on public wages and subsidies. Substantial increases in commodity prices in the 2000s and fast-growing domestic demand increased the fiscal cost of subsidies and provided impetus for subsidy reforms (Devarajan et al, 2014). Governments also slowed down, and in some cases, stopped hiring workers (Ianchovichina, 2018). But the private sector did not generate enough jobs to absorb the large number of young people entering the labor force. The result was that MENA had the highest unemployment rate in the developing world. Moreover, while education and health were free, and energy and water subsidized, the quality of these services was so poor that many people resorted to the private sector for public services. The quality of available jobs in the private sector was also not as good as that of jobs in the public sector. People felt that they needed connections to those in power to obtain good quality jobs and many expressed concerns that they cannot move ahead no matter how hard they worked (Arampatzi et al., 2015). Devarajan and Ianchovichina (2018) concluded that anger over economic inequality could not have triggered the Arab Spring; instead, anger erupted because governments had not kept their part of the social contract. This conclusion was consistent with the profile of developing MENA countries as high-redistribution economies.

4. The Return of the Arab Spring

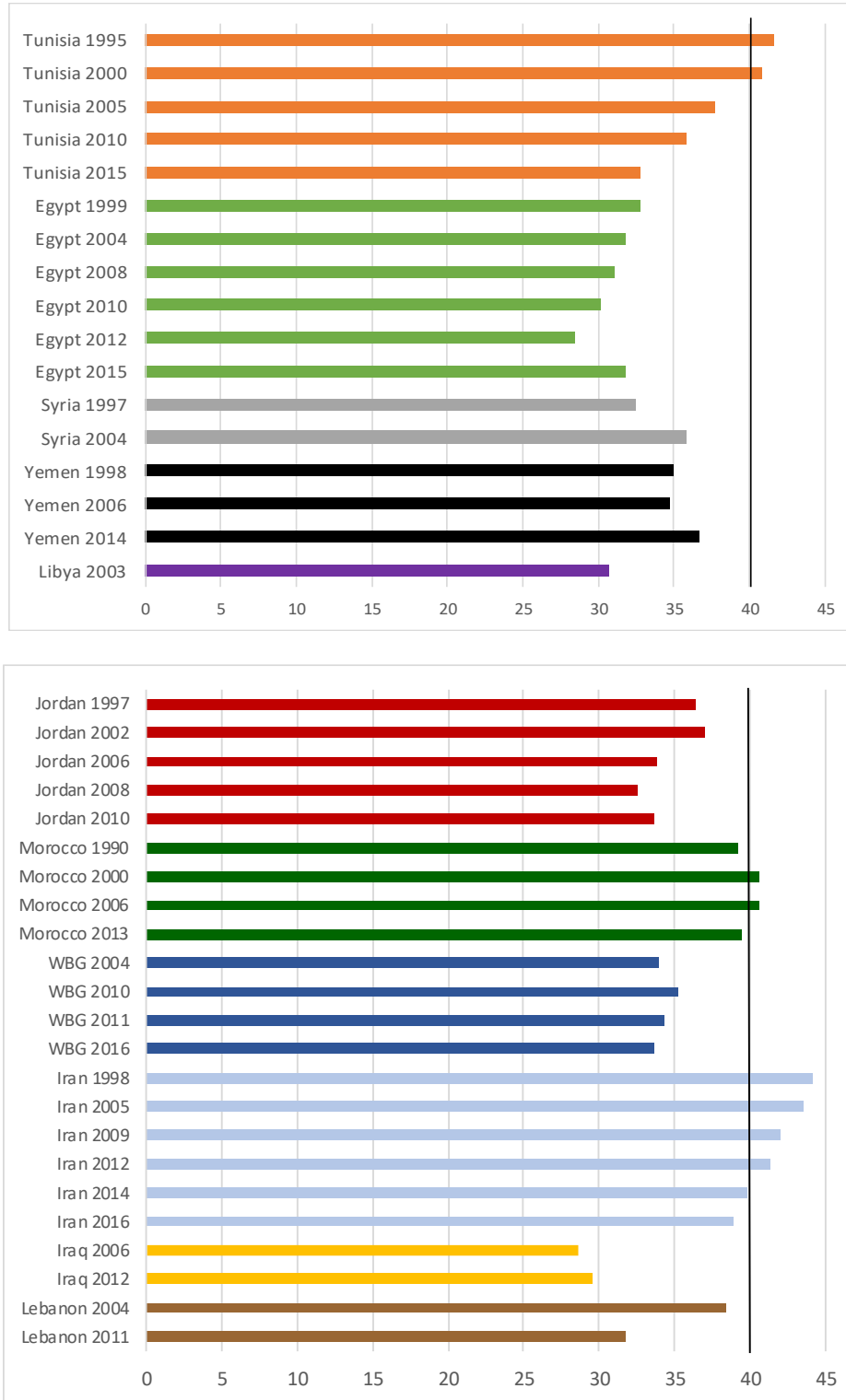
Can these empirical studies on social unrest and the original Arab Spring help us understand the return of the Arab Spring? There is no evidence that rising economic inequality motivated people to participate in mass protests across the region. In nearly all Arab countries, expenditure inequality remains moderate; in Tunisia, Egypt and Iran, it has declined since 2011 (Figure 7). However, rates of suffering and struggling remain high and in many cases have increased above the levels seen prior to the Arab Spring, in Tunisia and Jordan since 2015 and in Egypt and

Yemen since 2013 (Figure 8). Rates of suffering and struggling increased also in Algeria since 2014 and in Iran since 2017. Rates have been on a clear downward path only in Morocco where the percentage of suffering and struggling people dropped from 92 percent of all surveyed in 2010 to 76 percent in 2018. This could be due to relatively more rapid growth (around 4 percent a year), less volatility in growth, and the fact that Morocco has been insulated from violent terrorist attacks. At the same time, Morocco suffers from many of the distortions that prevented private-sector job creation in other Arab countries, so that, in the absence of major reforms, this favorable trend may not last (Chauffour, 2017).

In this analysis, we consider not only the percentage of suffering individuals, but also those who self-identify as struggling individuals for the following reasons. Witte et al. (2020) show that both the percentage of struggling people and the percentage of suffering individuals are positively and significantly associated with peaceful uprisings, with suffering having greater importance in higher income countries. Another reason to look at both of these rates is that their joint increase unequivocally signals a decline in the percentage of thriving individuals and therefore a deterioration in socio-economic conditions in a country.

In recent years, the growing dissatisfaction has its roots in disappointing economic growth and failure to implement reforms that would successfully move towards a new social contract. The wars in Syria, Yemen, Libya and Iraq, difficult transitions accompanied by macroeconomic crises and rising political uncertainty, and less favorable external conditions, including a drop in oil prices in 2014, all contributed to a regional growth slowdown (Figure 6) and fiscal tightening (International Monetary Fund, 2019).

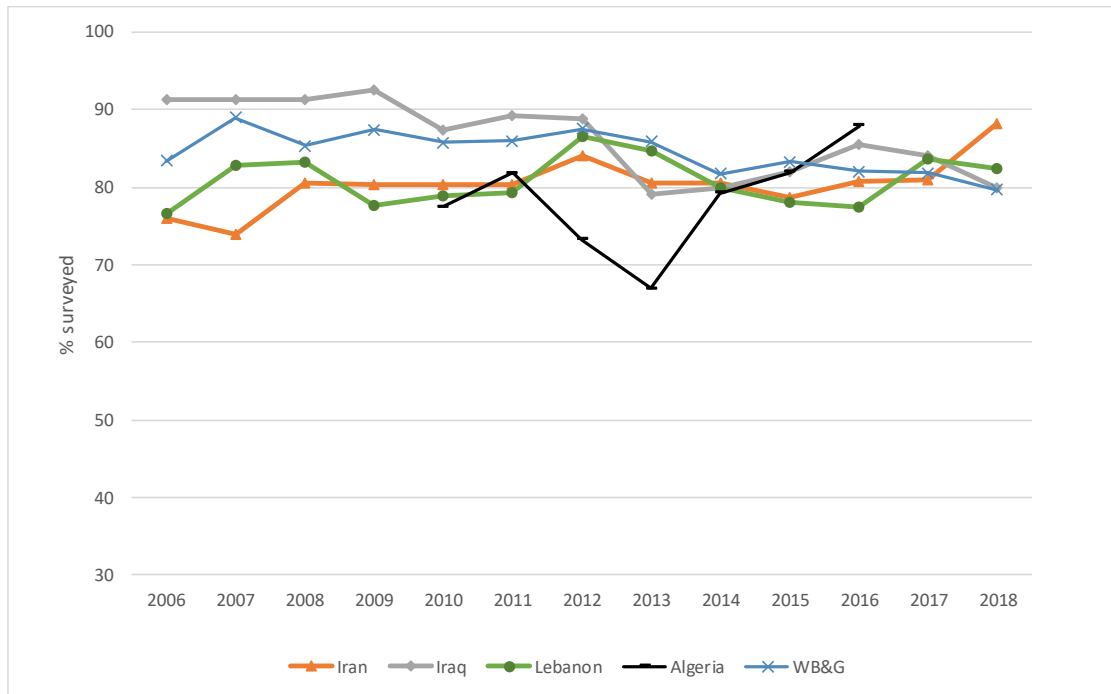
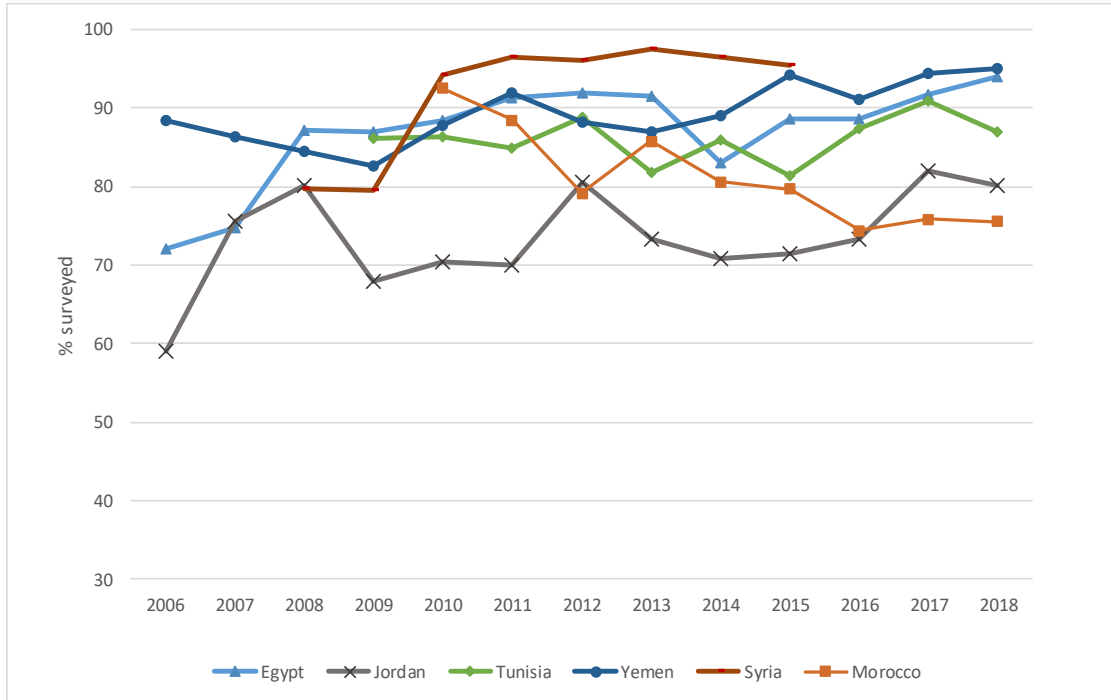
Figure 7: Income inequality in the Middle East and North Africa



Source: World Bank <https://datacatalog.worldbank.org/public-licenses#cc-by>.

Note: The vertical black line denotes the world average Gini index for the period between 1995 and 2015.

Figure 8: Rates of suffering and struggling in Middle East and North Africa



Source: Gallup World Poll data. Note: Suffering individuals have current and future Cantril Ladder scores that are equal or less than 4. Struggling individuals have current Cantril Ladder scores of 5 or 6 and future ones that are equal or greater than 5 and less than or equal to 7.

Importantly, the underlying problems that led to the Arab Spring remain. The quality of services has not improved and in many countries has deteriorated further (as exemplified by the “You Stink” garbage crisis in Lebanon in the summer of 2015). Education in MENA remains “stuck” (El Kogaly and Craaft, 2019). Cronyism and elite capture continue to be features of Arab economies, even in countries where the autocrats are no longer in power (Rijkers et al., 2017, Diwan et al., 2019). Egypt cut energy subsidies and introduced a value-added tax, which have helped restore macroeconomic stability and register an uptick in growth (International Monetary Fund, 2019). The unemployment rate has declined but there is some evidence that the increase in jobs has been in the low-wage, informal sector. Said et al. (2019) find that real wages have declined on average, the number of working poor has increased, and the workers who fared better were males and public-sector employees. In short, one of the main impediments to private-sector job creation, the large and relatively well-paid public sector (Behar and Mok, 2013), has not been reformed. Indeed, the rationalization of public-sector wages is one of the most contentious issues in Tunisia, leading to widespread strikes in 2019 (International Monetary Fund, 2019). Finally, many governments have increased repression, closing off civil-society space and suppressing journalists. Table 1 shows that the number of imprisoned journalists has been increasing in many countries in the Middle East and North Africa.

The picture of human rights violations is mixed (Figure 9). Almost all MENA countries saw a deterioration of their human-rights score in the decade prior to the Arab Spring. Again, this may help explain why there was so much dissatisfaction in these countries despite favorable growth and equity. After the Arab Spring, the conflict countries such as Syria, Iraq, Yemen and Libya, have seen a sharp drop in their human-rights score, but so has Egypt since 2013. At the same time, other countries such as Jordan, Morocco, and Algeria have seen an improvement in

their scores, which may also explain why levels of suffering and struggling are also declining in Morocco.

Table 1: Number of imprisoned journalists by country

	2006-2009	2010-2013	2014-2017
Egypt, Arab Rep.	4	14	40
Tunisia	4	1	1
Libya	0	1	1
Yemen, Rep.	2	2	0
Jordan	0	2	0
Algeria	0	1	3
Iran	40	81	43
Iraq	3	2	1
Syrian Arab Rep.	2	23	11
Morocco	1	3	6
Lebanon	0	0	0
Saudi Arabia	1	8	14
United Arab Emirates	0	0	0
Qatar	0	0	0
Kuwait	0	2	1
Oman	0	0	0
Bahrain	0	5	9
Turkey	12	64	119
China	58	56	62
USA	0	0	0
Russia	4	3	6
India	1	3	7

Source: Committee to Protect Journalists.

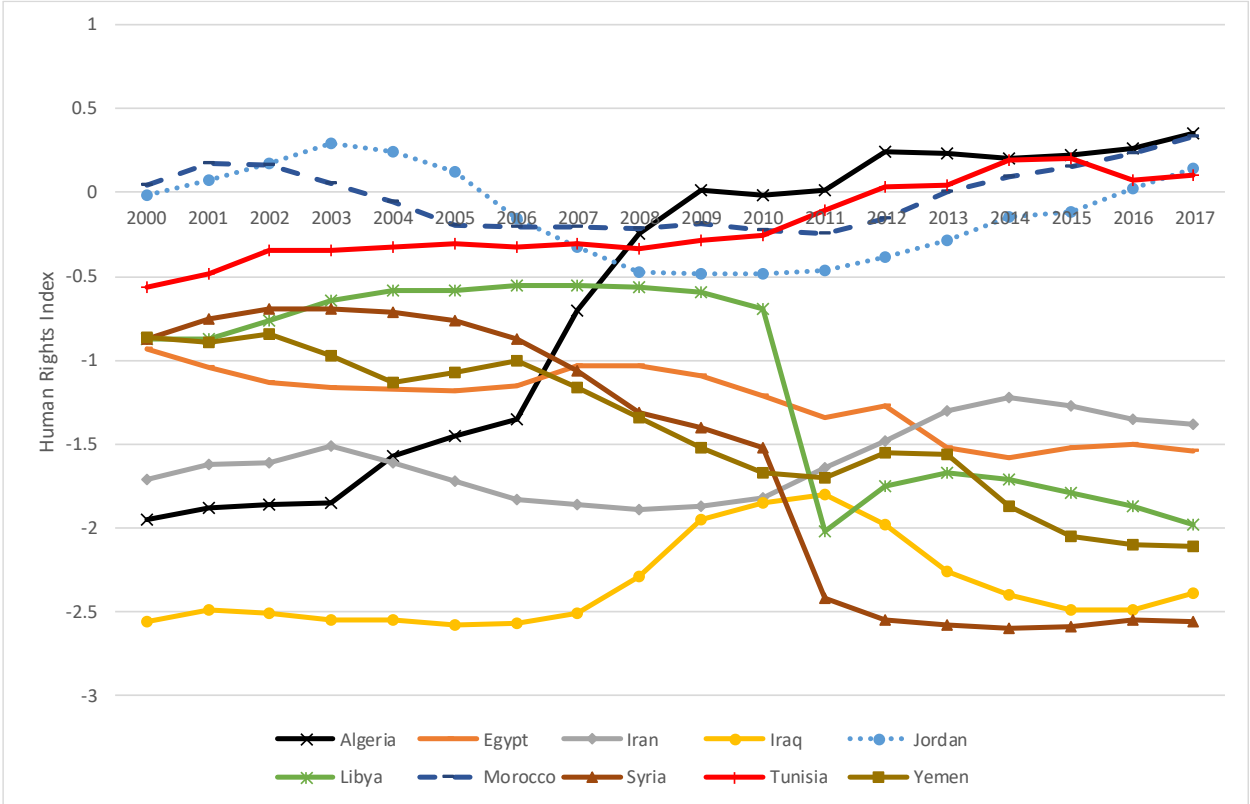
https://cpj.org/data/reports.php?status=Imprisoned&start_year=2019&end_year=2019&group_by=location

Note: The CPJ counts the number of journalists still in prison within a given period of time; this number does not include those imprisoned and released during the period in question and those that have been freed or died in prison.

It is clear, therefore, that the behavior of governments since the Arab Spring has not been in the direction of a new social contract. Some actions, such as the failure to reform the education sector or public-sector employment and the increased repression, indicate attempts at restoring the old social contract. Just as the old social contract was unsustainable in 2011, it is unsustainable today. The public sees this, as reflected in the rising rates of suffering and

struggling, not to mention the widespread protests breaking throughout the region. Absent fundamental reforms in the direction of a new social contract, the Arab Spring is likely to recur.

Figure 9: Human Rights Index



Source: Schnakenberg and Fariss (2014). <https://ourworldindata.org/human-rights#tracking-human-rights-abuses-over-time>.

5. Conclusion

What should be done to move towards a new social contract and reduce the public anger as well as the human and economic costs of protests? The problems with the old social contract point to the necessary characteristics of a new one. In brief, governments in the region will need to:

- Promote, rather than hinder, private-sector job creation by breaking up cronyism-induced monopolies that undermine competitiveness and implement reforms that improve economic and financial inclusion;
- Design public services so that the providers are accountable to the beneficiaries. Concretely, this means making teachers and doctors accountable to students and patients, possibly through community associations and voucher-systems where the money follows the students and patients, respectively;
- Replace fuel and energy subsidies with targeted cash transfers to the poor, with everyone paying market prices for these private goods.
- Rationalize public sector employment so that it does not crowd out private sector jobs;
- Permit citizens, especially women, young people, and minority groups, to exercise their voice and agency as active members of society rather than as passive recipients of government largesse.

To be sure, this change cannot happen overnight, nor should it be applied in all countries today. The civil-war countries, for example, will need to resolve the conflict first. But even these countries, when the fighting stops, will have to be careful in designing the post-conflict reconstruction lest they recreate the old social contract that led to the civil war in the first place. As for the other countries, which constitute the majority, they should chart a course in the direction of a new social contract and begin the first steps as soon as possible. Their citizens are demanding it and will continue to demand it, as they have been doing since 2011. As a guiding principle, the contours of the new social contract could go a long way towards helping the people

of MENA realize the vision that many of them bravely fought for during the Arab Spring of 2011.

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