
On Prevailing Economic and Political Disparities and the Prospects for Close Integration of a Euro-Arab Med Region¹

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The declared objective of the Euro-Med partnership, the Union for the Mediterranean, is to work for shared prosperity through a process that aims to bring about a close integration of the Mediterranean region, thereby fostering the development and stability mainly of the south Med countries and narrowing existing economic and political gaps between North and South. A set of institutions was created to promote cooperation among Union partners along the path of integration. However, realization of this objective faces important hurdles as the Med world is made up of varying politico-economic spheres that will not necessarily converge along this path, at least not until certain major political conditions are fulfilled as will be discussed below.

The paper has a dual objective: first to outline economic inequalities in the Med region, but secondly and more importantly, to focus on the Arab Med region as a potentially vital partner in a meaningful partnership with the European Med countries. What seems to stand in the way of developing such a partnership is not so much economic inequalities, as the gap that separates political governance in the North and Arab south zones and the conflictual environment that prevails in the Middle East. As things now stand, any partnership negotiations would reflect highly unequal bargaining positions: EU as one bloc versus single Arab countries, the League of Arab States being an ineffectual organization.

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In other words, the lack of real democratic governance in most, if not all of the Arab Med countries acts to constrain any meaningful and beneficial integration. Unless a significant transition from autocracy (no matter its form or degree) to genuine democracy takes place and regional conflicts (notably the Arab/Israeli conflict) are justly resolved, the shared prosperity, which the Euro-Med partnership presumably aims to achieve, remains wanting, if not unachievable. This paper discusses the factors underlying the persistence of autocracy in the Arab Med zone, and the role of conflicts in upholding it. The uprisings of 2011 initially raised hopes for a fundamental change in the political course of several Arab Med countries, only for this hope to fade away in the years that followed. The eventual outcome of the uprisings remains uncertain.

This paper is divided into five sections: (1) inequalities in the Mediterranean region (2) the non-correlation between development and democracy in the Arab region: explaining the Arab democracy deficit (3) the underlying causes of the Arab uprisings, (4) the resistance to and prospects for change: the uncertain future, and (5) prospects for an integrated Euro-Arab Mediterranean region: a concluding note.

I. On Inequalities in the Mediterranean Region

(1) Select Economic inequalities

Inequalities in per capita GDP

Recent research on disparities in per capita GDP (as measured by the Theil index) in the Mediterranean region, between the rich northern countries and the southern and eastern countries, indicates that these disparities grew until 2000, but subsequently tended to decline as a result of much lower rates of economic growth in northern per capita GDP. In 2015, the four rich Northern countries contributed about 60% of the Mediterranean GDP compared to 70-80% in 1950-2000. Nonetheless, differences in standards of living of the two regions remain high (data taken from Daniele and Malanima, 2016)

HDI inequalities

Given in particular the notable improvement in the levels of education and health, the HDI of developing south Med countries has been rising throughout the post WW II period and in consequence, inequality in HDI in the Med Region has diminished. To illustrate advances in education, tertiary school enrollment in the Southern Med countries increased by 73% from 2000 to the present day compared to an (unweighted) average increase of 25 percent for the three leading West European countries.

However, when HDI is adjusted for inequality (Atkinson inequality measure), we find that on the whole, countries with lesser human development tend to suffer greater losses due to inequality than those with more advanced human development, thus widening the gap between the two groups. For example, the loss suffered by Egypt during 2010-2015 ranged between 24 and 29% compared to a range of around 9% for France (Daniele and Malanima, 2016; see also Amendola and Dell'Anno 2014).

Within and between country inequalities (Gini coefficient)

Generally, the Gini coefficients for the Northern Med countries are lower than those of the Southern Med countries. But no clear sustained trend has seemed to emerge for individual countries in the past 35 years or so. Amendola and Dell'Anno (2014) observe that the EU Med countries experienced, from the mid-70s until the 2007 crisis, slight decreases in the Gini index though the causes of this decline may differ from one country to another. The Balkan countries also experienced slight decreases in inequality; for the south Med countries inequality within countries is generally sluggish over time. Expenditure inequality, measured by the Gini index, did not worsen in most MENA economies in recent years and remained low to moderate by international standards (World Bank, 2015).

Looking at total inequality for the med region (within and between countries), Daniele and Malanima (2016) find it is mostly explained by inequality between countries, for about 85%, while, on the World scale, this component explains about 70% of global inequality.

The decomposition of the Gini index of total inequality into inequality among nations, confirms, according to the authors, how Mediterranean inequality depends primarily on the different economic conditions among the nations and especially between North and Southeast.

Economic inequality and its implications for growth in the med region: a brief note

There is extensive literature on the relationship between income inequality and growth which does not point out to commonly agreed findings. Some researchers argue that while inequality impacts growth, a reverse relation does not hold. Further, the inequality/growth relationship is non-linear appearing to reflect an inverted U-shaped curve (e.g. Amendola and Dell'Anno 2014). Applying the SWIID data, the authors observe that Mediterranean countries characterized by medium income inequality (i.e., a pre-redistribution Gini index of approximately 40-45) have the highest growth rates. In other words, countries with lower GDP per capita growth rates are characterized by inequality that is either too high or too low.

Other researchers argue emphatically that income inequality negatively affects growth and its sustainability (e.g. Dabla-Norris et al, 2015²). To that extent, a less unequal redistribution caused by tax and expenditure policies (e.g. subsidies, social security payments) has an overall pro-growth effect, counting both potential negative direct effects and positive effects of the resulting lower inequality (Ostry, Berg and Tsangarides, 2014).

Still, others find different relationships for the more developed and less developed countries or for different income groups, and indeed a few researchers even identify a positive relationship in advanced if not developing countries (for a review of the literature see Naguib, 2015³ and Boushey and Price, 2014⁴).

Questions raised by the above findings

The above findings raise several questions concerning economic inequality in the Med region and the nature of its impact on growth specifically as regards the Arab Med countries. They seem to assert (and here further empirical verification may be worth considering) that (1) inequality is harmful to growth and (2) inter country inequality appears to have been declining since 2000 and (3) while there is no clear trend as concerns within country inequality, certain researchers have asserted that this inequality is mainly attributable to different economic conditions among the nations.

Pending further verification, the implication of these findings is that should a move towards greater Med integration succeed and bring in its wake closer economic harmonization, then this would result in beneficial growth to the region and especially the Arab Med countries. Here, a number of questions would remain to be addressed though not taken up in this paper, e.g. (1) what sectors constitute the drivers of future growth in the South: industrial innovation and/or reliance on energy exports and tourism among others? (2) To what extent will the Arab Med (and other) developing economies be able to provide work opportunities for their ever expanding educated class concurrent with widening domains of specialization? (3) How do we identify the determinants of the different economic conditions among nations that impact within country inequality and what about other non-economic conditions that may be equally relevant?

²Taking the relationship between the income share accruing to the rich (top 20 percent) and economic growth, the authors assert that if this share increases by 1 percentage point, GDP growth is actually 0.08 percentage point lower in the following five years, suggesting that the benefits do not trickle down. Similarly, an increase in the income share of the bottom 20 percent (the poor) is associated with 0.38 percentage point higher growth. This positive relationship between disposable income shares and higher growth continues to hold for the second and third quintiles (the middle class).

³Costanza Naguib, "The Relationship between Inequality and GDP Growth: an Empirical Approach" *LIS Working Paper Series*, No. 631, February 2015. The author finds a positive and statistically significant estimated coefficient for the inequality measure obtained for the sample of OECE countries under study.

⁴Heather Boushey and Carter C Price, How are Economic Inequality and Growth Connected A review of recent literature, Washington Center for Equitable Growth, October 2014

Whatever the answers to the above questions, the issue of political harmonization matters crucially. This indeed is a major lesson of the success of the European Union itself. In contrast, the inability of the Arab Med countries and more generally the Arab countries to come closer politically is a major explanation why past Arab integration efforts have not succeeded.

(2) Disparities in political governance

Taking the Polity IV as a measure of political governance, we observe that since 1970, despite the limited improvement in the scores of the Arab Med countries, as of 2016 the majority remains classified as autocracies or anocracies with only Lebanon and Tunisia considered as democracies. For the same year, the EIU index similarly classifies most of the Med countries as autocracies, two as a hybrid regime and one (Tunisia) as a democracy. Concerning the Northern Med countries except for Albania (and Turkey) they all are classified as democracies⁵. Admittedly the consolidation of democracy in Eastern Europe was gradually established after the fall of the Soviet Union in 1990.

In short, the limited progress that the Arab Med countries may have achieved notwithstanding, generally a broad disparity in political governance continues to separate them from the North Med countries, though levels of prevailing autocracy in the Arab Med region is less severe than in the rest of the Arab World. Admittedly, in recent years a number of Western democracies have been facing political strains and consequent illiberalism as well as growing citizen discontent and alienation from conventional political institutions such as political parties and parliaments. Nonetheless the gap in democratic governance between the North and most of the Arab Med countries remains wide, a matter which deserves a close examination for several reasons:

To begin, political governance and accountability are central to the question of any meaningful integration in the Euro-Arab Med region, especially that the nexus between

⁵The Polity IV scheme consists of six component measures that record the key qualities of executive recruitment, constraints on executive authority, and political competition. It also records changes in the institutionalized qualities of governing authority. The 'Polity Score' captures this regime authority spectrum on a 21-point scale ranging from -10 (hereditary monarchy) to +10 (consolidated democracy). They can also be converted to regime categories, for which a three-part categorization is recommended: 'autocracies' (-10 to -6), 'anocracies' (-5 to +5) and 'democracies' (+6 to +10); there are also three special values—66, -77 and -88—representing, respectively, periods of interruption (foreign occupation), interregnum (breakdown of central authority) and transition during which new institutions are being set up. The EIU index is a weighted average of 60 indicators grouped into five different categories: electoral process and pluralism, civil liberties, functioning of government, political participation, and political culture. In addition to a numeric score and a ranking, the index categorizes countries as one of four regime types—full democracies (a score of 8–10), flawed democracies (6–7.9), hybrid regimes (4–5.9), and authoritarian regimes (0–3.9). Of course, democracy indices have their own limitations. A full appreciation of the attributes of the political system of any country can be achieved only through an in-depth study of the country concerned.

political and economic institutions appears to be strong, i.e. inclusive political institutions lead to inclusive economic institutions that are better situated (than exclusive institutions) to create the incentives for a robust and equitable development. (For a discussion of this matter with regard to the Arab Med countries see FEMISE 2013)

But whatever the impact political institutions may have on social and economic development, it remains (as probably is generally agreed) that democracy and freedom are essential ingredients of human welfare (life satisfaction) that go beyond objective material measurements of inequality. Recent research on the causes of the Arab uprisings indicates that civil and political freedoms, emancipation from oppression and fighting corruption matter to the population as much as social and economic justice and other socio-economic questions (World Bank, 2015 *Inequality, Uprisings and Conflict in the Arab World*).

Unless the Arab Med countries move in the direction of more liberal and democratic governance, (i.e. closer political harmonization with the North), the process of integration would face major obstacles if not altogether fail to reach its intended objectives including the desired developmental model.

Thus, we should try to understand the reasons behind the significant lag of democratization in the Arab Med countries especially that it has persisted despite notable socio economic development. For 2015, the average per capita GDP for the whole Arab region placed it almost at par with that of Latin America. The average for the Arab Med countries was somewhat lower but still significantly above Sub-Saharan Africa and South Asia. In contrast, the experience of other developing regions shows a generally stronger positive association between democracy and development, a contrast that had led to the coining of the term “Arab exceptionalism”.

II. The non-correlation between development and democracy in the Arab region: Explaining the Arab democracy deficit

What explains the non-correlation between democracy and development in the Arab region including the Med countries? Numerous past and more recent analyses have addressed the question. These range from a broad historical viewpoint to more focused analyses of specific underlying factors: various historical, religious, social, ethnic, political, economic, and colonial explanations of this phenomenon have been posited.

Here, it would be useful to draw on both cross country work and individual country studies. The former gives an overall or general picture. Useful as it may be, it should be supplemented by in depth examination of individual country situations.

Looking at the region as a whole, two factors loom large as explanatory factors; namely abundant oil resources and the region's multi-faceted conflicts, including the unresolved Arab–Israeli conflict, along with all their attendant disruptive foreign interventions (see Elbadawi and Makdisi, 2017 in particular the model “Probability of Democratic Transitions” in chapter one)

Oil wealth

The ‘oil curse’ effect—the trade-off, between economic welfare and political rights, associated with the relative abundance of oil resources—is well established in the literature (for a review, see Ross, 2014) though not necessarily a matter of universal agreement (Haber and Menaldo, 2011). This trade-off however seems to apply effectively when oil rent is managed by less than fully democratic regimes; also it is subject to threshold effects, where the resource rents appear to be a robust deterrent to democratization only in those societies endowed with sufficiently high resources per capita. Looking specifically at the South Med region, only two countries have abundant oil resources, Libya and Algeria. To that extent the direct effects of oil wealth on the process of democratization in this region were less sharp than say in the Gulf countries.

But we should also bear in mind the indirect influence of oil wealth on non-oil countries in the region in that it tended to reinforce their autocratic regimes. Oil wealth has been and continues to be used to support particular religious/political groups, thereby accentuating already existing social/religious divisions; or to spend lavishly on the security/military establishment of autocratic regimes or to support them in their regional wars. Additionally, it has been argued that migration to the Gulf region, especially of the educated classes, including politically sophisticated elites, has acted to depoliticize the population of the sending countries

At the economic level, the influence of abundant oil wealth is more varied. While various beneficial effects on development may be pointed out (Luciani, 2012), recent empirical work has drawn attention to the required role of fiscal and monetary policies in countering its negative impact (e.g. the hindrance of economic diversification) thereby ensuring that oil resources are efficiently used for developmental purposes. This outcome, it is argued, would in large measure hinge on the efficacy and accountability of the institutions in place, notably fiscal institutions, keeping in mind that Arab fiscal institutions remain wanting in this regard (El Anshasy *et al.*, 2015).

Conflicts

Equally important, perhaps more so, is the persistence of a conflictual regional environment that includes the Arab Med countries. According to available data for the period 1990–2013, over 60% of all Arab countries experienced at least one conflict, which makes the Arab region one of the most conflict-prone regions, accounting for around 17% of world conflicts. Of course, at the center of the region's conflictual environment is the unsettled but simmering Arab–Israeli conflict, which goes back to 1948 and does not have a parallel in other regions, at least in recent history.

Indeed, conflicts are found to have a uniquely negative effect on the democratization process in the Arab region as a whole but more so on the Med countries close to the center of conflict (keeping in mind that this effect can vary significantly from one country to another) partly because these conflicts have been exploited by incumbent autocratic regimes to justify their rule and to escape the consequences of their national failures (for a detailed analysis, see Elbadawi and Makdisi, 2017). The Palestinian question remains unresolved while the settlement of civil wars in the pre-2010 period did not lead to a significant change in the political regimes of the war-torn countries involved.

To all that, we have to add the huge impact of the rise of fundamentalist groups in the region (especially Syria and Iraq) and the consequent additional vicious conflicts their emergence has caused. While the dominance of the fundamentalist groups has recently been on the wane, the outcome of the post-uprising civil conflicts is yet to be determined. By contrast, in other regions of the contemporary world, civil conflicts have mostly been followed by a move towards democracy, noted reversals notwithstanding (Jai Kwan, 2008), a contrast that appears to support the argument for the Arab region's exceptionalism.

Individual country experiences

As useful as cross country research may be, country cases studies enable a deeper and more nuanced understanding of the oil and conflict thesis leading to four important conclusions:

(1) The first is that the influence of oil wealth in permitting the trade-off between economic welfare and political freedom cannot be considered in isolation from the specific socio-political history of the country concerned. Rentierism should be situated in a social/political/historical context and its impact on governance and development within the country concerned and in the region assessed accordingly.

To illustrate in the case of Algeria, the influence of oil wealth should be considered in the context of the political alliance of the party that took over power after independence with the military and bureaucracy. In Iraq the effect of oil wealth was tempered by the ability of the cross-ethnic nationalist movement to undermine the legitimacy of the monarchy, and following the overthrow of the monarchy in 1958, and especially after 1973, oil wealth alone failed to maintain a stable and institutionalized authoritarian rule of the country.

(2) Secondly, as already noted, it is important to recognize the indirect influences of oil wealth on non-oil Arab countries that tended to reinforce at least some of the authoritarian regimes: financing political groups and/or military establishment of the autocratic regimes, buying their loyalty.

(3) Thirdly, while regional conflicts and in particular the unresolved Palestinian question have played an important role in supporting the persistence of autocratic regimes in the region, the influence of this conflict has varied from one country to another.

Again to illustrate:

--The negative impact on polity of the Arab/Israeli conflict has been greater on countries nearer to the stage of the conflict, such as Jordan, Lebanon, Syria, Egypt and Iraq than, for example, some of the Gulf States.

--For countries that have gone through a civil war, such Lebanon before and Syria now, the negative impact on polity manifests itself in a number of ways. In the former case, it contributed to a deepening of sectarian divisions and, in consequence, hindered a potential move to a more advanced democracy. In the latter case, the outcome is yet unknown. Hopefully it would not lead to another form of autocracy but this remains to be seen.

--In the case of Egypt and Algeria, the violent contestation of power between the ruling elites in these two countries and their Islamic fundamentalists' opposition has been used to prop up the fear of an impending fundamentalist takeover. This strategy proved to be a potent instrument for shoring up external support of these regimes as well as for dividing the internal democratic opposition.

--Finally, foreign military interventions and the rise of Islamist fundamentalism (encouraged by such interventions) have also acted, in one way or another, to bolster authoritarianism in the region.

III. Underlying Causes of the Uprisings

Whatever the immediate triggers for the Tunisian and Egyptian uprisings, a gamut of interacting economic, political and other underlying factors has been building up over the years for a push towards a democratic space in the region, initiated, as it turned out, by the successful overthrow of the Tunisian autocracy. However, as noted in the following section, given existing regional realities, the success of additional democratic breakthroughs in the region, at least in the shorter run, remains to be seen.

Three major triggers of the uprisings pertain to the economic, social and political domains.

(1) The economic domain: the roles of unemployment and inequality

Analyzing the causes of the uprisings of 2011 (the majority being in Med countries: Tunisia, Egypt, Libya and Syria), a number of researchers have highlighted the roles of rising unemployment over the years to very high levels especially of youth unemployment, and the persistence of deep economic inequality (Hakimian et al 2013, Bibi and Nabli, 2010) especially, as noted below, after the process of privatization of the national economy started to take a strong hold.

Unemployment

There appears to be common agreement that rising unemployment was one of the triggers behind the uprisings (Elbadawi and Makdisi, 2017 chapter one)⁶. The explanation may be briefly stated as follows:

In the period following the fall of the Soviet Union, the gradual shift in the development paradigm from a nationalist developmental strategy based on a public sector oriented economy to a market economy had major consequences for employment. For all the economic benefits of this shift the private sector failed to generate sufficient employment opportunities that state and public sector institutions had previously provided (no matter how inefficiently) especially for the youth. Analysts attribute this failure primarily to misguided policies, often uneven, hesitant and incomplete, and to weak institutional performance characterized by cronyism and corruption (Ansani and Daniele, 2012)⁷.

⁶ The authors find that high unemployment beyond a certain threshold (above 10 percent) promotes democratic transition and consequently has acted as a trigger for the uprisings in low to medium resource-endowed countries such as Egypt, Tunisia, Yemen and Syria that prior to 2011 had been experiencing high rates of unemployment (pp56-57).

⁷ Institutional performance, it has been argued, plays a determining role in explaining differences in per capita income outcomes (Acemoglu and Robinson, 2008)

Whatever the causes of the faltering Arab growth, in the period 2005-2010 Arab youth unemployment reached high levels averaging more than 25% and continued to rise until 2014 reaching around 30% (the highest rate among various developing regions-ILO 2016). For the Arab Med region, the general unemployment rate averaged in 2010 a little over 14% rising to a range of 15-16 % in the period 2011-17 (ILO data)

These relatively high unemployment rates which also prevailed in previous years tended to weaken the regimes' hold on power and weaken its authoritarian bargain, i.e. their ability to trade off public goods and other economic benefits for political rights and participation. High unemployment contributed to the unraveling of the Arab Social Contract (Amin et al, 2012, Devarajan and Elena Ianchovichina, 2017).

Inequality

The shift to privatization was accompanied by the forging of partnerships between the ruling elites and business tycoons who basically engaged in rent seeking activities. In practice, this meant that a few groups were favored, receiving the larger part of the benefits of growth to the relative exclusion of the majority of the populace; this phenomenon, in turn, bred growing resentment. So were prevailing economic inequalities and important factor behind the uprisings?

Hakimian *et al* 2013 point out that the trend in income inequality did not change significantly in the past decades). The authors indicate that available data tend to place the MENA region's income distribution levels between those for Africa and Asia. Overall, the region has moderately high levels of inequality: some countries like Egypt are on the lower end of the scale of inequality, with an income distribution closer to Asian pattern; others have fairly high inequality, closer to African levels. A key finding is that despite huge structural changes in these economies, income distribution has not changed by much. Over the last few years, there are indications of a worsening tendency, but the trend is not noticeable when compared to worsening income distribution in fast growing Asian countries. So it is surmised that at best, income inequality is likely to have played a secondary or only a supporting role.

(2) The unraveling of the social contract

While income inequality may not have changed significantly over the years, disillusionment with economic prospects despite moderate to rapid economic growth led to what has been termed "unhappy growth" or 'unhappy development paradox' (Amin *et al*, 2012). In a very recent work Devarajan and Elena Ianchovichina (2017) argue that economic inequalities are of limited value in explaining the uprisings. They focus instead on declining levels of subjective well-being, measured using the "Cantril Ladder" scores

for the period 2005-2011, as the main cause behind the unraveling of the Arab social contract that led to the uprisings. The authors point out that these scores, which capture people's views on how closely their life fits their standard of good life, were relatively low and declined steeply in Arab Spring countries prior to the Arab Spring uprisings in 2011. Empirical work on the MENA region (which they cite) points out that the average life satisfaction levels were especially low in Syria, Egypt, and Yemen. In particular, the reasons underlying the low scores were: dissatisfaction with the standards of living (quality of life), unemployment and inability to go ahead without connections.

At the end of the decade, as the authors emphasize, the MENA region was the only region in the world with a high incidence of large declines in average subjective well-being with steeper declines for the top 60 percent of the population, representing mostly the middle class, than the bottom 40 percent, representing the poor and vulnerable. This syndrome was especially pronounced in the Arab-Spring countries—Syria, Libya, Tunisia, Egypt, and Yemen. The ranks of the unhappy swelled in nearly all Arab countries (citing Dang and Ianchovichina, 2016).

(3) Growing openness and aspirations for freedom

The impact of greater openness of the Southern Med countries on weakening the authoritarian bargain is perhaps self-evident. It helps civil society organizations, including those run by students, women and other social groups, to press harder for political reform. And, as already noted above and in fact amply demonstrated by the uprisings, there are deep-seated ambitions not only for socio-economic advancement but also for greater freedom and political participation on the part of large segments of the populace that have felt disenfranchised and largely excluded from the benefits of economic development (Makdisi, 2017).

(4) Neighborhood effects

The unexpected success of mass street mobilization in both Tunisia and Egypt acted as a spark for similar mass movements in other Arab countries: in particular, the younger generations pressed successfully for the dismantling of the autocratic regimes of both countries via mostly peaceful means, including intensive use of the rapidly spreading social networks.

An important motivation of the uprisings of the Arab youth is their loss of faith in the role of traditionalist reformist political parties which proved incapable, for whatever reason, to act as agents of political change and therefore had to be left behind. But also,

they were influenced by the ripple effects of the important democratic changes that have taken place in other regions of the developing world.

Nonetheless, the region's democratic prospects remain highly uncertain, a matter to which we now turn.

IV. Resistance to and prospects for change: the uncertain future

Resistance to change

While the uprisings have shaken the foundations of autocracy in parts of specifically the Southern Med region and have initially given rise to a glimmer of hope for a regional democratic change, the civil conflicts that have subsequently emerged have further strengthened the region's conflictual environment. In consequence, fed by emerging sectarian divisiveness, and in particular the rise to power of strict fundamentalist groups, the negative impact of conflicts in the region on the process of democratization has further intensified, posing threats of democratic reversals in countries that manage to break out of the grip of entrenched autocracies.

The region's resistance to democracy is not unique or specific, and can be ascribed to the same elements that have, to varying degrees, helped to maintain different forms of autocracy in other regions of the world as well as the Arab region (i.e. oil, conflicts, neighborhood effects and external interventions by both regional and international powers). However, perhaps due to the intensity of these factors, what is special about the Arab Med, as well as non-Med regions, is the almost immediate emergence of what appears to be a wide authoritarian counter-revolution in response to the uprisings.

Shortly after the collapse of the regimes in Tunisia, Egypt and Libya, potentially vulnerable authoritarian regimes in the region responded by deploying a massive degree of violence that has so far either stifled incipient or nascent uprising, or transformed essentially peaceful mass movements into armed conflicts or outright civil war, as in the cases of Libya, Yemen and Syria. Especially the struggle for Syria has become a violent and tragic contest between radical fundamentalist Sunni groups and the regime supported by transnational Shi'a militias, intertwined with regional and external interventions in support of opposing sides of the conflict.

The rise of strict fundamentalist groups in the Med and Non Med Arab regions has commonly been attributed to a variety of factors, including their promotion by the so-called Deep State which uses them as a pretext for its counter- revolution (Filiu 2015); a

response on the part of the poorer segments of the population to political and economic exclusion; the desire of certain fundamentalist regimes and/or foreign powers to use them for their own political ends; a response to past Western colonialism and continued interventions in the affairs of the region; the failure to build a nation- state; or the breakdown of the central concept of Arab nationalism. However, the rising sectarian divide fueled by regional power-plays and of the direct military involvement of external powers, primarily the United States and Russia, has to be the most alarming underlying cause or catalyst behind the prominence of the fundamentalist-sponsored violence that engulfed the region. Indeed, even the most senseless type of violence and terrorism, such as that of Daesh, could very well be explained, though by no means justified, by the political manipulation of the sectarian divide within Islam. No doubt this divide has been manifested, first, in the emergence of factional sectarian democracy as in Iraq, and, second, in the violent response of the essentially sectarian minority regime in Syria to the initially peaceful democratic movement that swept through the country for almost six months before turning into a militarized opposition dominated by fundamentalist groups though their influence has recently considerably waned.

Even if the question of fundamentalism in the region had not arisen, it remains a fact that some countries will still experience a difficult and/or violent transition process, if not an authoritarian counteroffensive that may take hold at least temporarily. The respective experiences of the countries where uprisings have taken place demonstrate clearly how transition experiences can vary. The eventual outcome of the ensuing brutal civil conflicts in Syria, Yemen and Libya will determine the nature of the political regimes to follow, and to what extent, if any, these future regimes will come to reflect the attributes of democratic governance rather than those of new autocratic orders. The delay so far of a substantive democratic move in Egypt is associated with the persisting political dominance of the military elite and the continued political divisions in the country, not to mention the expanding conflicts in the region with all their corrosive effects on the transition process. Thus, save for Tunisia, a region- wide transition to genuine democracy following the initial uprisings remains more an aspiration than a concrete reality.

Prospects for change

What about the prospects for transition towards democracy in the Med Arab countries in the foreseeable future?

Several considerations may be taken into account. While post uprising developments reveal major obstacles facing the transition to democracy in most of the countries concerned, the evolving socio-economic and political processes in various countries of the region will yet help put an end to the so-called Arab exceptionalism, and pave the way for a change, whether gradual or not, towards democratic governance. Factors

pushing in this direction include a building up of modernizing influences (e.g. a growing middle class, improving levels of education, and growing female participation the economic and political domains), an increasing incompatibility between exclusive political institutions and the increasing openness of economic institutions and an expanding popular demand for freedom, equal political rights and social justice reinforced by decreasing fundamentalist influences.

Furthermore, the corrosive political effects of relatively abundant oil resources will, in the passage of time, be countered by the influences forcing change, such as mounting socio-economic inequities, a growing middle class, the weakening rentier effect due in part to changing internal economic conditions and a growing democratic neighborhood as more and more countries move to partial if not full democracies. Moreover, the seeming structural changes in the global oil market and the potential long-term deceleration of prices towards low 'equilibrium' prices will likely further threaten the sustainability of the authoritarian bargain, even in the highly endowed Arab Gulf societies. And noteworthy, the more countries succeed in moving towards a consolidated democracy, the less is the potential threat of reversal (e.g. see Poast and Urpelainen 2015).

V. Prospects for an integrated Euro-Arab Mediterranean neighborhood: a concluding note

When one examines the prospects for closer economic and political integration in the Euro-Arab Mediterranean region, with all its implications for political and economic harmonization among its states, one cannot but recognize that it comprises varying sub-regions with different politico-economic contexts. The northern European part includes two sets of countries, those that have been at the core of the European Union, and the East European countries which following the fall of the Soviet Union in 1990 are yet to fully join this Union, Slovenia apart. The southern Arab part has commonalities among its various countries but also differences: North Africa is closer to Western Europe and more distant from the major conflicts afflicting the Middle East region, let alone the inability of the Arab states to integrate⁸.

These differing contexts matter in that they have their own separate but determining influences on any process of closer integration in the Euro-Arab Med region. Clearly, the

⁸ Were we to look at the whole Euro-Med region, Turkey would stand on its own as a separate entity, while as long as the Arab/Israeli conflict is not justly resolved no Med-wide integration that includes Israel can be envisaged.

conditions and consequences of any potential agreement on closer economic relationships would be influenced by the bargaining powers of the negotiating parties that in turn would depend on whether say the Arab Med countries can negotiate as a bloc or only individually. The nature of such agreements would be similarly influenced by the extent to which the public sector plays in the national economy of individual countries, the level of their socio-economic development, and the political regime in place.

Thus, even if one were to consider that the Euro-Arab Med region is made up of only two sub-areas: the European North and Arab South, there would still remain at least three main contrasts between them: the first is political relating to disparities emanating from the prevailing systems of governance, as well as the prevalence of a conflictual environment in the Middle East; the second is economic: the European Med economies are more advanced and industrialized with more developed market institutions, better regulated national economies and greater women participation in the work force; also they are already more advanced on the path of integration. The third pertains to various social disparities associated with different stages of development as well as the nature of the prevailing political order.

Any meaningful process of a closer integration of the Euro-Arab Med area would need to address all these differences in order to lay out a realistic plan for promoting integration and harmonization intended to advance various economic, political and other benefits to the countries of the region that otherwise would not accrue to them. The path to a successful Euro-Arab Mediterranean integration, however, is not clearly defined nor readily traversed. There are many economic and other prerequisites that would need to be fulfilled to assure a successfully integrated Mediterranean neighborhood, which this paper does not discuss. It remains, however, that the case for a Euro-Arab Med integration at the economic level is easier to visualize and implement than at the political level. Whereas the pre-requisites for and benefits of economic integration have been extensively debated and explained, the political side of the equation remains greatly understudied. This is not surprising, especially that the Arab region, and in particular the South Med countries within it, continue to face major unresolved conflicts.

The above raises basic questions that merit further deep examination:

Given the varied political contexts in the med region, what is the political rationale for promoting a politically integrated Euro-Arab Med area? Specifically as far as the Arab Med countries are concerned would it be realistic to assume that they can move towards political integration with the North in the absence of just resolutions of the major conflicts they face – especially the Arab/Israeli conflict -- and without their transitioning towards substantive democratic governance? But even were we to assume that these

major issues have been resolved, and the path to a Euro-Arab Med Union opened what would be the nature of the integrated area? Given a functioning EU, would this Med Union enjoy its own autonomy in economic and political matters? And in practice, in the absence of an effective counter Arab Med bloc, would such a Union simply amount to an enlarged EU that incorporates its southern neighbors?

The rationale for a politically integrated Euro-Arab Med region does not seem to have been adequately thought out. It is a matter that deserves deep study.

Annex

Table 1: Polity IV Scores across Mediterranean Countries 1950-2016

		1950	1960	1970	1980	1990	2000	2010	2011	2012	2013	2014	2015	2016
Southern Mediterranean Countries	Libya	...	-7	-7	-7	-7	-7	-7	-77	-77	-77	-77	-77	-77
	Syria	2	-66	-9	-9	-9	-7	-7	-7	-9	-9	-9	-9	-9
	Egypt	1	-7	-7	-6	-6	-6	-3	-2	-88	-4	-4	-4	-4
	Morocco		-5	-9	-8	-8	-6	-6	-4	-4	-4	-4	-4	-4
	Jordan	-10	-9	-9	-10	-4	-2	-3	-3	-3	-3	-3	-3	-3
	Mauritania	...	-4	-7	-7	-7	-6	-2	-2	-2	-2	-2	-2	-2
	Algeria	...	...	-9	-9	-2	-3	2	2	2	2	2	2	2
	Lebanon	2	2	5	-77	-66	-66	6	6	6	6	6	6	6
	Tunisia	...	-9	-8	-9	-5	-3	-4	-88	-88	-88	7	7	7
The Rest of the Arab Region	Yemen	...	...	...	...	-88	-2	-2	-2	3	3	-77	-77	-77
	Bahrain	...	...	...	-10	-10	-9	-5	-8	-10	-10	-10	-10	-10
	Qatar	...	...	...	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
	Saudi Arabia	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
	Oman	-6	-10	-10	-10	-10	-9	-8	-8	-8	-8	-8	-8	-8
	UAE	...	...	...	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8
	Kuwait	...	...	-9	-10	-66	-7	-7	-7	-7	-7	-7	-7	-7
	Djibouti	...	...	...	-8	-8	2	2	2	2	4	4	4	4
	Somalia	...	7	-7	-7	-7	-77	-77	-66	5	5	5	5	5
	Iraq	-4	-5	-7	-9	-9	-9	3	3	3	3	6	6	6
	Comoros	...	...	...	-5	4	-1	9	9	9	9	9	9	9
	Sudan	...	-7	-88	-7	-7	-7	-2	-2	...	...	...	...	...
Northern Mediterranean Countries	Greece	4	4	-7	8	10	10	10	10	10	10	10	10	10
	Italy	10	10	10	10	10	10	10	10	10	10	10	10	10
	Spain	-7	-7	-7	9	10	10	10	10	10	10	10	10	10
	Albania	-9	-9	-9	-9	1	5	9	9	9	9	9	9	9
	Croatia*	-7	-7	-7	-5	-5	8	9	9	9	9	9	9	9
	France	10	5	8	8	9	9	9	9	9	9	9	9	9
	Serbia*	-7	-7	-7	-5	-5	7	8	8	8	8	8	8	8
	Turkey	7	-88	8	-5	9	7	7	9	9	9	3	3	-4

*Former Yugoslavia

Source: Polity Scores Data Series version 2016

Table 2: Ranking of Mediterranean Countries according to the EIU Democracy Index 2006-2016

		2006 Rank	2006 Score	2010 Rank	2010 Score	2014 Rank	2014 Score	2015 Rank	2015 Score	2016 Rank	2016 Score
Southern Mediterranean Countries	Syria	153	2.36	153	2.31	163	1.74	166	1.43	166	1.43
	Libya	161	1.84	158	1.94	119	3.8	153	2.25	155	2.25
	Egypt	115	3.9	138	3.07	138	3.16	134	3.18	133	3.31
	Algeria	132	3.17	125	3.44	117	3.83	118	3.95	126	3.56
	Mauritania	133	3.12	115	3.86	112	4.17	117	3.96	117	3.96
	Jordan	113	3.92	117	3.74	121	3.76	120	3.86	117	3.96
	Morocco	115	3.9	116	3.79	116	4	107	4.66	105	4.77
	Lebanon	85	5.82	86	5.82	98	5.12	102	4.86	102	4.86
	Tunisia	135	3.06	145	2.79	70	6.31	57	6.72	69	6.4
	Palestine	79	6.01	93	5.44	106	4.72	110	4.57	110	4.49
The Rest of the Arab Region	Saudi Arabia	159	1.92	161	1.84	161	1.82	160	1.93	159	1.93
	Yemen	137	2.98	147	2.64	149	2.79	154	2.24	156	2.07
	Sudan	141	2.9	151	2.42	153	2.54	151	2.37	151	2.37
	United Arab Emirates	150	2.42	148	2.52	152	2.64	148	2.75	147	2.75
	Bahrain	123	3.53	122	3.49	147	2.87	146	2.79	146	2.79
	Djibouti	152	2.37	154	2.2	145	2.99	145	2.9	145	2.83
	Oman	143	2.77	143	2.86	139	3.15	142	3.04	141	3.04
	Qatar	142	2.78	137	3.09	136	3.18	134	3.18	135	3.18
	Kuwait	134	3.09	114	3.88	120	3.78	121	3.85	121	3.85
	Iraq	112	4.01	112	4	111	4.23	115	4.08	114	4.08
Northern Mediterranean Countries	Turkey	88	5.7	89	5.73	98	5.12	97	5.12	97	5.04
	Albania	83	5.91	84	5.86	88	5.67	81	5.91	81	5.91
	Serbia*	55	6.62	65	6.33	56	6.71	58	6.71	64	6.57
	Croatia*	51	7.04	53	6.81	50	6.93	52	6.93	54	6.75
	Greece	22	8.13	28	7.92	41	7.45	40	7.45	44	7.23
	France	24	8.07	31	7.77	23	8.04	27	7.92	24	7.92
	Italy	34	7.73	29	7.83	29	7.85	21	7.98	21	7.98
	Spain	16	8.34	18	8.16	22	8.05	17	8.3	17	8.3

Source: EIU Reports, 2006-2016

Table 3: EIU Index across Regions 2006-2016

	EIU Index 2006	EIU Index 2010	EIU Index 2011	EIU Index 2013	EIU Index 2014	EIU Index 2015	EIU Index 2016
North America	8.64	8.63	8.59	8.59	8.59	8.56	8.56
Western Europe	8.6	8.45	8.4	8.41	8.41	8.42	8.4
Eastern Europe	5.76	5.55	5.5	5.53	5.58	5.55	5.43
Latin America & the Caribbean	6.37	6.37	6.35	6.38	6.36	6.37	6.33
Asia & Australasia	5.44	5.53	5.51	5.61	5.7	5.74	5.74
Middle East & North Africa	3.53	3.43	3.62	3.68	3.65	3.58	3.56
Sub-Saharan Africa	4.24	4.23	4.32	4.36	4.34	4.38	4.37
Total	5.52	5.46	5.49	5.53	5.55	5.55	5.52

Source: EIU Reports, 2006-2016

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