Economic and Social Commission for Western Asia (ESCWA)

The Drivers and Impact of Conflict on the Sustainable Development Agenda in the Arab Region:

A snapshot of human, socioeconomic and structural impacts with a focus on regional and cross-border effects

Emerging and Conflict Related Issues Division
(ECRI)[*]

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ABSTRACT

This working paper provides a snapshot of the challenges to achieve the Sustainable Development Goals (SDGs) in the Arab region, in the context of ongoing conflict and uncertainty. The Doha Declaration on the Implementation of 2030 Sustainable Development Agenda requested that ESCWA continue undertaking comprehensive assessments of the impact of conflict on development. The paper espouses the quantifiable short- and long-term toll that conflict is having on the region, and highlights a number of issues requiring most pressing attention. Key trends and findings in this paper include the severe effects of conflict across the region, namely 29 million people forcibly displaced from their homes by 2016, and over 50 million people requiring humanitarian assistance. Further impacts include hindered provision of utilities and social services, stunted economic growth and development, large effects on human development, degradation of institutions, and so forth. The paper highlights the inter-connectivity of these elements of conflict in the region, and the cyclical nature in which impacts of current conflicts could sow the seeds of future crisis. It particularly notes the threat posed by conflict through all of these channels to the achievement of the Sustainable Development Goals, and that without instilling a peaceful environment with stable institutions as per SDG 16, regional progress towards the entirety of Agenda 2030 is at risk. Indeed, the paper makes clear that a regional approach with institutionalized cooperation and coordination across countries is necessary to mitigate the negative trends across the region and prevent future crises.

Introduction

While there has been a global proliferation of conflict and crisis, this has been particularly acute in the Arab world, with persistent conflict and occupation. The multiple causes and impacts of these conflicts involve a web of geopolitical as well as interconnected governance deficits and socioeconomic issues, which have been the subject of much analysis and debate. Some of these have deep-rooted historical path dependencies while some are based on recent events. Deaths, injuries, forced displacements, food insecurity, regression of human rights, the loss of jobs and access to education, and governance issues are just some of the most immediate and severe effects in conflict countries and their neighbours. This undermines the prospects of the region's citizens to find meaningful economic activities, receive an education and provide for their families, which in fact sows the seeds for future grievances if not crisis.

It is in this context that this paper will provide an overview of the short- and long-term impacts of conflict in the region and identify the interconnections and self-reinforcing cycles amongst these. The paper will point to the fact that conflicts have been so severe and destructive that their impact has gone beyond national borders, thus making the case that coping mechanisms can no longer be deployed at the national level and any serious attempt of mitigation or recovery must be pursued regionally and multilaterally.

The paper will link this dire situation in many Arab States with implications for reaching the 2030 Agenda for Sustainable Development. Coherent and well-financed development planning and policy implementation is vital to the success of the SDGs. Yet in the Arab region this process is hindered by the inability to formulate and implement a long-term strategy as severe and immediate conflict-related issues are the main concerns of many Arab countries. These points will be elaborated in this document.

The UN ESCWA's Division for Emerging and Conflict-Related Issues has undertaken a number of studies on the underlying causes and impacts of conflicts across the region. This paper aims to monitor these impacts on the development of the Arab countries, and how these conflicts affect the successful implementation of the 2030 Agenda.

I.   The Drivers and Impacts of Conflict and the SDGs

The Sustainable Development Goals (SDGs) were adopted by the international community in 2015 as an agenda which seeks to broaden the scope of the preceding Millennium Development Goals (MDGs) towards productive, sustainable and inclusive development. Achieving this requires concerted and organized development planning, with coordination between long-term visions and short-term plans of action. The different conflicts across the region have wiped out partially or in its totality progress achieved in terms of development as shown by goals met for the MDGs[1]. Weak states and state institutions have been both a cause and consequence of conflict in the Arab region. Such States have limited capacities to plan, adopt and implement policies which are required for the successful pursuit of the SDGs. One of the flaws of the MDGs was a deficiency in identifying important inequalities between and within countries, and a subsequent failure to foresee the socio-economic pressures associated with the Arab uprisings of 2011[2].

Conflict has been a major obstacle towards development and it should take centre stage for the realization of the 2030 Agenda. Conflict and political unrest have halted or reversed the development progress made in previous decades in the Arab region. Conflict impacts all aspects of development, increasing poverty, hunger and malnutrition, limiting access to education and other basic services, and increasing social discrimination and exclusion. These immediate effects have severe long-term consequences for human development, generating poverty traps and increasing inequalities across populations directly and indirectly touched by conflict.

Those who both flee conflict and remain behind are likely to face severe deprivation, and in turn affect populations in host communities. While internally displaced populations often still have limited access to basic facilities and services because of the conflicts, refugee populations living outside of the conflict country often face similar limitations. Conflicts consequently will have long and short-term consequences on human development, which in turn constitutes a major impediment to the achievement of the 2030 agenda. In effect, the conflicts across the region have for the most part reversed much of the progress achieved in the previous decade with the implementation of the MDG framework.

People made vulnerable by conflict are being bypassed by progress, and inequalities between conflict-affected areas exist within countries as well. The UN ESCWA's Division for Emerging and Conflict-Related Issues has undertaken a number of studies on the impact of conflicts on human development. These studies suggest exposure to conflict has produced divergent human development trajectories for people living in conflict-intense versus non-exposed regions. Conflicts thus levy enormous challenges for the

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[1] UN-ESCWA 2018. "The Sustainable Development Goals in an Arab region affected by conflict: Monitoring the Sustainable Development Goals with Household Survey Microdata", forthcoming.
[2] UN-ESCWA 2018. "The Sustainable Development Goals in an Arab region affected by conflict: Monitoring the Sustainable Development Goals with Household Survey Microdata", forthcoming.

region at the sub-national, national, and regional levels for achieving sustainable development in the short and long term.

Finally, conflict particularly frustrates the pursuit of SDG 16 regarding corruption, accountable and transparent institutions, an effective rule of law, inclusive, participatory and representative decision-making at all levels, and public access to information and effective protection of fundamental freedoms. It can be argued that none of the other goals of the 2030 Agenda can be achieved without the presence of peaceful and inclusive societies for sustainable development. Conflict causes violence, casualties, security vacuums, weak states, organized crime, extremism, displacements of populations, stagnation of human development, and divided societies. Such divided societies face immense challenges after a conflict ends. Creating and maintaining a peaceful and inclusive society as well as the institutional infrastructure to sustain this and in which sustainable development can be successfully pursued is one of the main challenges to be addressed in order to create long-lasting peace.

The effects of conflict are compounded by the fact that in the current Arab context, long-term sustainable development objectives have to be addressed alongside urgent and short and medium-term humanitarian priorities. Demonstrable progress is critical to restore trust in government and avoid the risk of sliding back into conflict, particularly when grievances related to lack of access to services, jobs and other opportunities have fuelled conflict in the first place[3]. Short and long-term challenges are therefore both pressing and need to be addressed together. The following sections will detail these challenges, the links between them and their repercussions for the 2030 Agenda, in order to prioritize actions that require strategic coherence of various governance and recovery actions.

II.   Short-term impacts of conflict

This section will discuss five immediate impacts of conflict, namely the high number of casualties, internally displaced persons and refugees, the effects on public infrastructure, basic services and food security, and the number of aid-dependent people.

2.1   CONFLICT-RELATED CASUALTIES

The most immediate impact of conflict in the Arab Region is reflected in the high number of casualties, particularly among civilians. Years of conflict have produced staggering casualty rates, and battle-related deaths are estimated to have reached a cumulative total of 333,298 over the period between 2010 and 2016 (Figure 1).

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[3] United Nations Department of Economic and Social Affairs, Public Institutions and Digital Government, 2018. "World Public Sector Report 2018, Chapter 7: Realizing the SDGs in post-conflict situations: Challenges for the State", page 142.

Figure 1: Annual and cumulative battle-related deaths* in conflict in the Arab Region** from 2010 through 2016
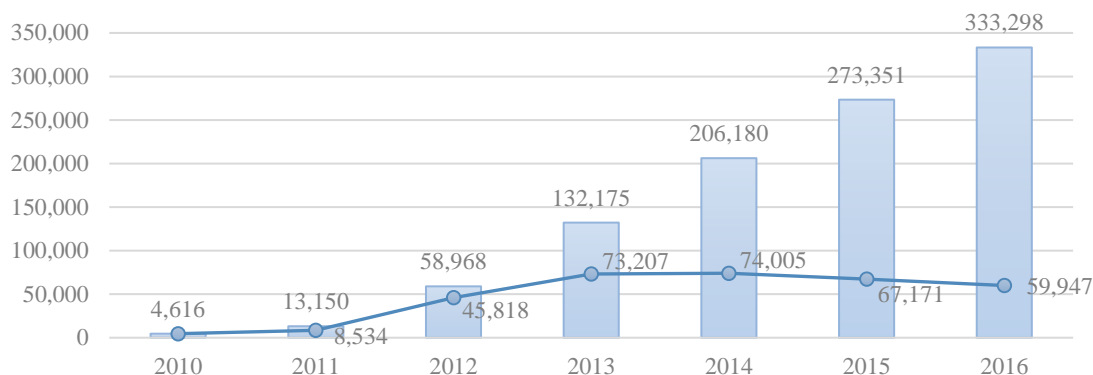
Source: ESCWA calculations, based on data the UCDP Battle-Related Deaths Dataset 17.1.
 * The UCDP best estimates for battle-related deaths in the conflict in the given year.
** Excl. Palestine.

This is primarily driven by the continuing death toll in Syria. Estimates on the total number of conflict-related deaths vary, ranging from 310,000 from the start of the conflict up until December 2016 as estimated by the Syrian Observatory for Human Rights (SOHR),[4] to 400,000 up until May 2016 as put forward by the UN Special Envoy to Syria[5], to 470,000 up until February 2016 as estimated by the Syrian Center for Policy Research (SCPR).[6] Every month, around 30,000 people suffer conflict-related trauma injuries, 30 per cent of whom subsequently develop permanent disabilities.[7]

The conflict in Yemen kills or injures nearly 75 people per day on average, while estimates on the total number of deaths stand at 9,245 as of January 2018[8]. The total number of injured lies around 45,000,[9] although these are considered to be low estimates.[10] In Iraq, the number of total civilian deaths from violence was estimated at around 12,500 between January and October 2017 by Iraq Body Count, with more than 16,000 civilian deaths in 2016. Libya Body Count recorded 1,523 deaths due to violence in Libya in both 2015 and 2016.[11]

2.2   INTERNALLY DISPLACED PERSONS AND REFUGEES

Both past and present conflicts in the Arab World have led to large numbers of internally displaced persons and international refugees. As can be seen in Figure 2, the total number of people in the Arab region who were forcibly displaced from their homes grew from 12.7 million in 2010 to 29 million in 2016, while the number of international refugees originating from Arab countries grew from 8 to 13 million, and the number

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[4] Devarajan and Mottaghi 2017, p. 18.
[5] UN Radio, "Syria envoy claims 400,000 have died in Syria conflict", 22 April 2016, *available here*.
[6] Devarajan and Mottaghi 2017, p. 18.
[7] UNOCHA Syria: Humanitarian Response Plan 2017, p. 6.
[8] UNOCHA Yemen: Humanitarian Response Plan 2018, p.2-4
[9] UNOCHA Yemen: Periodic Monitoring Review 2017, p. 6; UNOHCHR, "Press briefing note on Yemen and destruction of Mosul mosque", 23 June 2017, *available here*.
[10] UNOCHA Yemen: Periodic Monitoring Review 2017, p. 6.
[11] Libya Body Count Database, last accessed 28 December 2018, *available here*.

of IDPs grew from 4.7 million to 16 million To take some particularly severe and more recent examples, it is estimated that in 2017, 6.6 million people were internally displaced in Syria and 2.1 million in Iraq[1213]. IDPs on average represented 11.1 per cent of the national population in Arab countries in 2016, up from 4.62 per cent in 2010[14].

Figure 2: Arab refugees and IDPs, 2010-2016
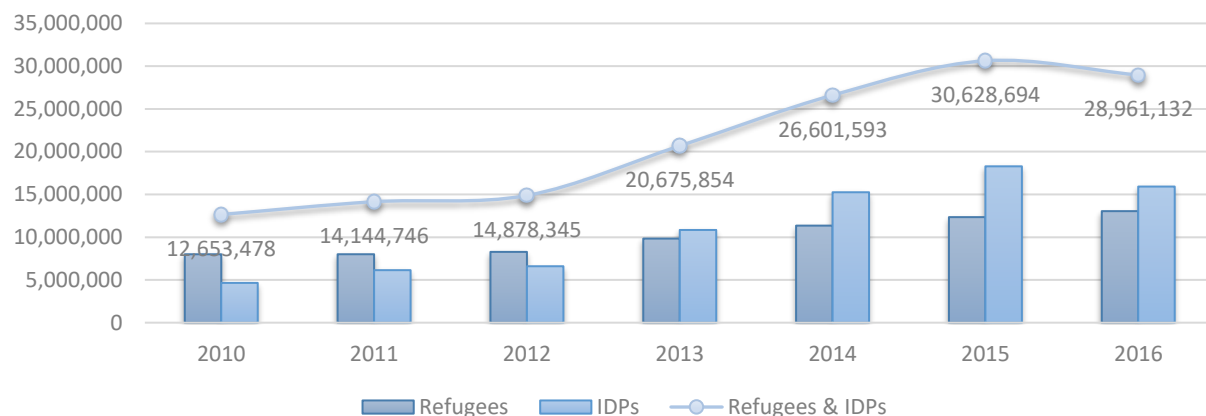
Source: ESCWA calculations, based on data from UNHCR Statistics accessed on 31/10/2017; UNRWA in Figures 2011-2017; IDMC Global Overview 2011 (for IDPs in Syria in 2011 since UNHCR's support to IDPs in Syria started in 2012 only).

While the Arab region has only 5.4 per cent of the world's population, it hosts 37.5 per cent of its refugees, and 43.5 per cent of IDPs[15]. The majority of refugees in the Arab region are, in fact, Palestinians (64.3%) and Syrians (23.9%)[16]. Palestine, Jordan and Lebanon host almost 80 percent of all refugees in the region, with ratios of refugees-to-population of 45.1, 30.3 and 24.6 per cent respectively (Figure 3).

[12] OCHA, Humanitarian Bulletin Iraq, April 2018
[13] OCHA, the Humanitarian crisis in Syria, May 2018
[14] ESCWA calculations based on data from UNHCR Statistics; IDMC Global Overview 2011; UN DESA World Population Prospects 2017; *the* six Arab countries that account for all IDPs were: Iraq, Libya, Somalia, Sudan, Syria, Yemen.
[15] ESCWA calculations, based on data from UNHCR Statistics; UNRWA in Figures 2011-2017; IDMC Global Overview 2011; UN DESA World Population Prospects 2017.
[16] ESCWA calculations based on data from UNHCR Statistics; UNRWA in Figures 2011-2017; IDMC Global Overview 2011; UN DESA World Population Prospects 2017.

Figure 3: Refugees as % of population in Jordan, Lebanon and Palestine
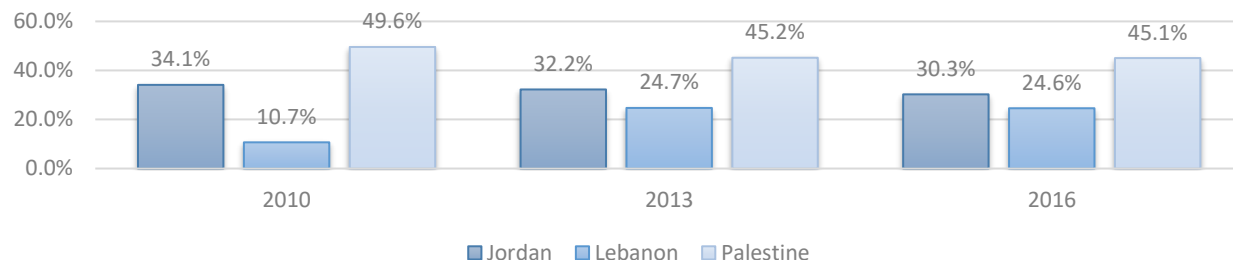
Source: ESCWA calculations, based on data from UNHCR Statistics accessed on 31/10/2017; UNRWA in Figures 2011-2017; UN DESA World Population Prospects 2017.

Meanwhile, refugees have been exiting the region in general, with the percentage of Arab refugees residing outside the region increasing from 8.1 percent in 2010 to 23.2 percent in 2016[17].

2.3   PUBLIC INFRASTRUCTURES, BASIC SERVICES AND FOOD SECURITY

Conflicts affect the provision of basic services and cause damage and destruction to public infrastructures such as transport, energy, water and waste infrastructures, as well as hospitals, schools and agricultural structures. This has an immediate impact on food security and the accessibility and availability of basic services for the general population.

In most conflict affected countries in the Arab Region, medical facilities are destroyed, access to medication, water and sanitation facilities is disrupted and the conglomeration of persons in refugee camps pose separate health challenges.[18] Conflict has led to a shortage of medical staff and facilities, and an estimated 14.8 million people in Yemen, 12.8 million in Syria, 9.7 million in Iraq and 1.3 million in Libya have little or no access to basic healthcare.[19]

In Syria, 108 attacks reportedly took place on hospitals and other medical facilities in 2016, and such attacks continued with regularity in 2017.[20] Both health workers and patients have been the victims of suicide bombings, targeted killings, torture, abductions and assaults.[21] About 302 out of 780 health facilities in the cities of Aleppo, Dar'a, Hama, Homs, Idlib, and Latakia have been partially or completely destroyed.[22] As of October 2016, at least 274 health facilities in Yemen have been partially or completely destroyed and only 45 percent of all health facilities in the country are still functioning.[23] More than 230 health facilities have been partially or completely destroyed in Iraq.[24] In Libya, only four hospitals were found to be

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[17] ESCWA calculations, based on UNHCR Statistics; UNRWA in Figures 2011-2017
[18] Mokdad et al. 2016, p. 712.
[19] Mokdad et al. 2016, p. 712; Yahya 2015, p. 20; Safeguarding Health in Conflict Coalition 2017, pp. 32-33.
[20] Physicians for Human Rights, *Anatomy of a Crisis: A Map of Attacks on Health Care in Syria*, available here, last accessed 22 February 2017.
[21] Safeguarding Health in Conflict Coalition 2017, pp. 10-11.
[22] Devarajan and Mottaghi 2017, p. 21.
[23] UNOCHA Yemen: Humanitarian Response Plan 2017, p. 6.
[24] UNOCHA Iraq: Humanitarian Response Plan 2017, p. 5.

performing above 75 per cent functionality out of the 98 hospitals surveyed.[25] As hostilities continue in most of these countries, the destruction of critical infrastructure is bound to increase to the detriment of the civilian population.

Conflicts in the Arab Region both directly and indirectly affect the production and distribution of energy. Direct impacts include limitations on the state's capacity to extract, process and distribute energy.[26] Militant groups have carried out attacks against oil and gas pipelines in Yemen, the Sinai Peninsula, Algeria and Saudi Arabia.[27] In Libya ports and oil fields have been both blocked and attacked by different parties, and the so-called Islamic State has in the past taken over oil fields in Syria.

Water resources have been used as a tool in regional conflicts; *King* recorded 44 incidents of water weaponization – the use of water as "a means of gaining advantage or defending oneself in a conflict or contest"[28] – in Syria and Iraq between August 2012 and July 2015.[29] Examples of weaponization include the occupation of dams, diversion of river branches to flood agricultural lands or entire villages, taxation of water supplies, manipulation of water prices, blocking of access to or contamination of water supplies, and the damaging of water facilities due to attacks.[30] Such weaponization has a large effect on civilian populations, affecting food and energy production, causing large-scale migrations and increases in water-related diseases.[31] The consequences of these developments are visible across the region. 14.5 million people in Yemen – more than half the country's population – are estimated to be in need of WASH assistance, and in 2017 the number of suspected cholera cases amounted to half a million.[32]

Since 2011, when nearly all children in the region were enrolled in primary school, a large number have dropped out in countries such as Syria, Libya, Iraq and Yemen as they become a target group for militants, human traffickers and drug dealers. In Syria, it is estimated that around 2.8 million children (half of all school-aged children) are currently not attending school, one-third due to security concerns and two-thirds due to financial hardships, or as a result of child labour and destruction of the educational infrastructure.[33] In Yemen, estimates suggest that more than 3.4 million school-aged children, again half of all school-aged children in the country, are not attending school, and that about 3,600 schools have closed.[34] In Iraq, nearly 3.7 million school-aged children attend school irregularly or not at all.[35] In Libya, thousands of children, especially girls, are not attending school, and 558 schools are either completely destroyed, partially damaged or accommodating IDPs.[36]

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[25] Devarajan and Mottaghi 2017, p. 37; Assad, A., "NCHRL Report: 433 Persons Killed in Libya during 2017, Amid Terrible Economic, Humanitarian Conditions", *The Libya Observer*, 1 January 2018, *available* here.
[26] Cirdei 2017, pp. 87 and 90-91.
[27] Mills 2016, p. 10.
[28] DuBois King 2016, p. 155.
[29] King 2016, p. 156.
[30] King 2016, pp. 156-159; Michel and Passarelli 2015, pp. 151-152.
[31] King 2016, p. 160; Feitelson and Tubi 2017, p. 44.
[32] WHO Media Centre, "Cholera count reaches 500,000 in Yemen", 14 August 2017, *available* here.
[33] Devarajan and Mottaghi 2017, p. 19.
[34] Devarajan and Mottaghi 2017, p. 34.
[35] UNOCHA Iraq: Humanitarian Response Plan 2017, p. 5.
[36] UNOCHA Libya: Humanitarian Response Plan 2017, 24.

Syria, Yemen and Iraq have some of the highest food insecurity rates globally.[37] In Syria, crop production faces consequences of high fuel prices, electricity failures and damaged irrigation facilities and power lines, displacement of agricultural labourers, and damage to crops.[38] This led to food insecurity for approximately 7 million people, nearly half the country's population, in 2016.[39] Yemen is facing the same challenges, as well as the effects of the conflict on food imports through damage to trade routes and transport infrastructure and import restrictions.[40] In 2017, 17.1 million people in Yemen – more than half the country's population – are estimated to be food insecure. Nearly 3.3 million people, including 2.1 million children constituting more than 15 per cent of all children in the country, are acutely malnourished.[41] Iraqi farmers faced similar challenges, in addition to instances of looting of and damage caused to their infrastructures by ISIS,[42] resulting in approximately 3.2 million people facing food insecurity.[43] Around 210,000 people are food insecure in Libya.[44] In Somalia, 320,000 children are acutely malnourished, while 50,000 are severely malnourished and in need of life-saving treatment.

2.4   AID DEPENDENCY

As can be seen in figure 4, people in need of humanitarian assistance in the seven crisis countries has been increasing and even amongst sub-sectors that have levelled off, remains persistently high. The number requiring humanitarian operations[45] amounted to 59.3 million people in 2017, with 43.4 million food insecure, 39.7 million requiring WASH assistance, and 48.5 million requiring health assistance. Of people in need, roughly half are women and nearly half are children of less than 18 years.

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[37] UNFAO Regional Overview of Food Insecurity 2016, p. 2.
[38] UNFAO Syria: Situation Report 2016, p. 1.
[39] UNOCHA Syria: Humanitarian Needs Overview 2017, p. 7.
[40] UNFAO Yemen: Situation Report 2016, p. 2.
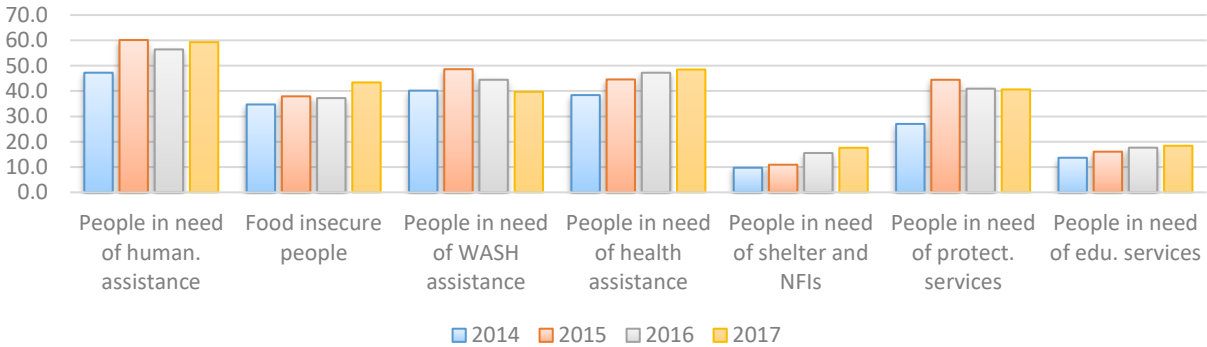[41] UNOCHA Yemen: Humanitarian Response Plan 2017, p. 2.
[42] Singh and Van Zoonen 2016, pp. 21-35.
[43] UNOCHA Iraq: Humanitarian Response Plan 2017, p. 5.
[44] Cammack 2016, p. 11.
[45] Food security, water, sanitation and hygiene (WASH) assistance, health assistance, shelter and non-food items (NFIs) services, protection services and education services represent the main six sectors of humanitarian operations.

Figure 4: People in need in the seven Arab countries in crisis (Iraq, Libya*, Palestine, Somalia, Sudan, Syria, Yemen) in 2014-2017 (millions)

Source: ESCWA calculations, based on data from OCHA, Humanitarian Response plans from countries in question (2014, 2015, 2016 and 2017); Humanitarian Needs Overview 2017; Humanitarian Appeal 2014.
* Weighted averages.
** Because of lack of data, Libya is included in people in need of humanitarian assistance and food security only.
*** For 2016 projections, UN DESA medium fertility variant is used.

It should be noted that over the four-year period considered, these figures reached a record high in 2015 and then edged down in the next year in all seven countries, except in Syria and Iraq. The main contributors to the regional absolute totals are Yemen, with 18.8 million people in need of assistance, Syria with 13.5 million,[46] and Iraq with 11 million.[47] In Libya, the ongoing civil war has affected more than 3 million people, which amounts to half of its population, of whom an estimated 1.3 million people are in need of some form of humanitarian assistance and protection.[48]

III. Long-term impacts of conflict

This section will look at long-term impacts of conflict in the region, namely: impacts on economic growth and development; the emergence of vulnerable populations; the emergence of illicit trade and human smuggling networks; and declining governance and weakened social cohesion.

3.1 ECONOMIC IMPACTS

In conflict countries, resources are diverted away from economically and socially productive sectors and instead used for conflict-related purposes such as arms and combatants. Conflict interrupts trade, investments and production, due to damaged or destroyed public infrastructures, production facilities and human capital. These developments lead to falling exports, reduced government revenue, increased inflation, higher unemployment and poverty levels. The Arab Region has been facing some of the lowest

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[46] UNOCHA Syria: Humanitarian Needs Overview 2017, p. 7.
[47] UNOCHA Iraq: Humanitarian Response Plan 2017, p. 8.
[48] UNOCHA Libya: Humanitarian Response Plan 2017, p. 7.

economic growth rates across the world, with effects of conflict compounding international sanctions and falling global oil prices.

Arab countries affected by conflict in the region lost $613.8 billion cumulatively in GDP between 2010 and 2015, which amounts to 6 per cent of the GDP of the Arab region.[49] More specifically in 2015, GDP levels in Syria amounted to less than half of 2010 GDP levels, losing $169 billion cumulatively in this period, while Libya lost 24 per cent of its GDP in 2014, losing $227 billion cumulatively between 2010 and 2015. In Yemen GDP fell by 23-35 per cent in 2015.[50]

Gross national income (GNI) per capita based on PPP has plunged from over $6,000 to less than $3,000 in Syria and from $31,000 to less than $15,000 in Libya over the period 2010 to 2015[51]. An upward trend persisted in Yemen and Iraq up to 2013, but has fallen since 2014, with a GNI per capita decline of more than 40 percent in Yemen and more than 15 percent in Iraq over the next two years. It was estimated by the World Bank that even if the Syrian conflict would be resolved today, reconstruction commence immediately, and the economy grew with an average of 5 percent, it would still take 10 years for GDP to reach 2010 pre-war levels.[52] Conflicts in the Arab Region have also caused a rise in alternative shadow economies.[53]

Fiscal and external balances have also worsened in conflict-affected countries over the past years. As a result, as can be seen in Figures 5 and 6, both budget and current account deficits in the conflict-affected economies have been larger than the regional average.[54]

Figure 5: General government (overall) fiscal balance* as % of GDP in the Arab Region and in four Arab countries in crisis (Iraq, Libya, Sudan, Yemen) in 2010-2016
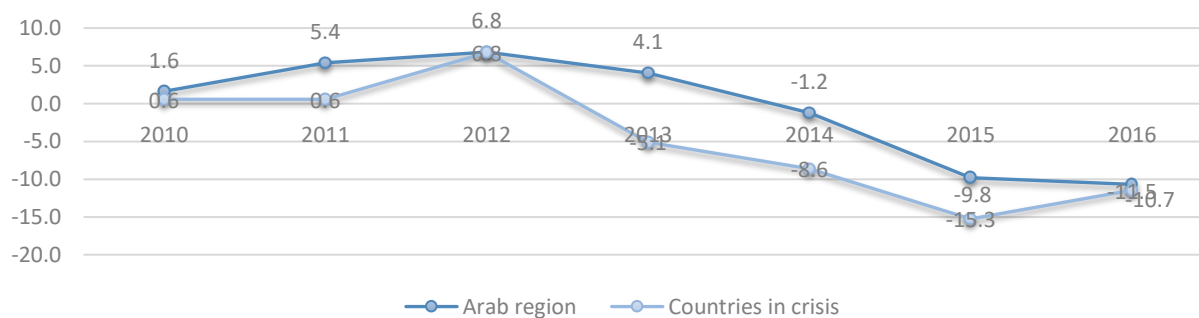
Source: ESCWA calculations, based on data from the IMF World Economic Outlook Database.
* Weighted averages.

[49] ESCWA 2016, Survey of Economic and Social Developments in the Arab Region.
[50] Rother et al. 2016, p. 9; ESCWA 2016, Survey of Economic and Social Developments in the Arab Region..
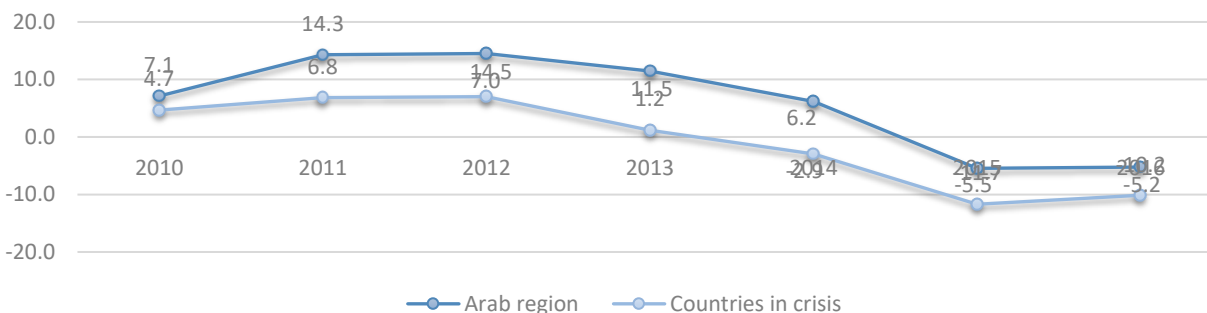[51] UNDP International Human Development Indicators as of 15 November 2013; UNDP Human Development Reports 2014-2016.
[52] Devarajan and Mottaghi 2017, p. 29.
[53] Cammack 2017, p. 12.
[54] Excluding Syria due to a lack of data.

Figure 6: General government (overall) current account balance* as % of the Arab Region and in countries in crisis (Iraq, Libya, Sudan, Yemen) 2010-16

Source: ESCWA calculations, based on data from the IMF World Economic Outlook Database.
* Weighted averages.

To fund these deficits, states have resorted to reducing foreign exchange reserves and printing money. The total stock of foreign exchange reserves in Syria was estimated to be below $1 billion in 2016, compared to $20 billion in 2010.[55] In Yemen, foreign exchange reserves of the Central Bank decreased from $4.7 billion in late 2014 to less than $1 billion in September 2016.[56]

Because conflict draws down foreign exchange reserves, depreciating exchange rates and banking restrictions on foreign remittances have translated into higher prices for almost all commodities. In Syria, after increasing by nearly 90 per cent in 2013, inflation eased but remained high at nearly 30 per cent in the following two years.[57] In Libya, annual inflation driven by high food prices is estimated to have soared to 27.1 per cent in 2016, up from 9.8 per cent in 2015. Inflation in Yemen rose to 39 per cent in 2015 and is expected to have increased further.

Unemployment has increased severely in conflict-affected countries, and has served both as a root cause of crisis as well as an outcome, becoming cyclically destructive and self-reinforcing. The channels of impact include an exodus of large segments of the population including entrepreneurs, business owners and holders of capital, damage and destruction of infrastructure and places of work, and overall inability to produce products and services.[58] Unemployment and particularly youth unemployment has remained a significant problem in the Arab region, persisting at close to 30 per cent between 2010 and 2016[59].

The large refugee flows fleeing conflict countries and relocating to neighbouring states have a profound impact on the economies of these neighbouring states, presenting their host states with major challenges, straining the state's capacity to provide sufficient services, such as education and welfare, puts high pressure on the state's financial, housing and labour markets, and poses challenges for the national budget.[60]

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[55] Devarajan and Mottaghi 2017, p. 29.
[56] UNOCHA Yemen: Humanitarian Response Plan 2017, p. 5.
[57] Devarajan, S. (et al.) 2016, p. 55.
[58] Cammack 2017, p. 10; Rother et al. 2016, p. 12.
[59] ILOStat, accessed March 2018
[60] Cammack 2017, p. 10; Yahya 2015, p. 11; Rother et al. 2016, pp. 8 and 21.

In Lebanon for example, demand for public services has been exceeding the capacity of public infrastructures and institutions to meet the population's needs. The World Bank estimated that Lebanon would need to create six times as many jobs as are currently available to absorb all job seekers into its labour market.[61] Refugee populations face constraints related to Lebanese residency and labour policies, which further limit their opportunities and have exposed large numbers of refugees to illegal and exploitative labour.[62] In Jordan, already scarce resources, particularly water and other public infrastructures, have been over-exploited in order to meet the needs of the growing resident population.

3.2   HEALTH AND DEMOGRAPHIC IMPACTS

Conflicts affect all different aspects of human development. Malnutrition, a high risk of communicable and non-communicable diseases and limited or no access to health services severely affect the physical development of populations, especially children, and traumas caused by ongoing violence and displacement, combined with limited or no access to sufficient education negatively impacts mental health. These shocks not only affect their current development, but also impact their capacity to develop necessary skills in the future[63].

The Arab region's youth bulge is large and still growing, with children under 15 accounting for a third of the population in the region, and more than 40 per cent of the population in Iraq and Yemen[64]. For conflict-ridden countries, children and youth pose enormous challenges. From the life cycle perspective, a larger fraction of individuals in critical ages for human and health capital investments will be exposed to adversity brought about by conflict. Thus the youth bulge in conflict-affected countries represents a risk rather than an opportunity, jeopardizing opportunities for generations to come. For young children, exposure to food insecurity and malnutrition severely affects their ability to develop productive potentials, thus bringing long term consequences over their lifetimes. For school aged children educational attainment is particularly compromised by exposure to violence.[65] Conflicts increase the likelihood of dropping out of school, reduce the number of years children spend in school, and restrict grade progression (Akresh and De Walque 2008; Chamarbagwala and Moran 2009; Merrouche 2006; UNESCO 2010; UN-ESCWA 2018).

Conflicts have been shown in turn to negatively affect future life prospects of exposed children and youth, reducing labour market prospects and health outcomes in adulthood (Justino 2011). The youth bulge has already demonstrated to be problematic for countries across the region, as these countries have been faced with the unprecedented challenge to generate employment opportunities for a growing number of educated youths entering the labour market each year. These trends have severely hampered economic performance and undermined the well-being of workers who face rising unemployment rates and low productivity.[66] The percentage of people aged 24 and below in the region is estimated at over 50 per cent. While the youth

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[61] Government of Lebanon and the United Nations 2017, p. 102.
[62] ibid, p. 12.
[63] UN-ESCWA, 2018. Trends and Impacts Issue 5: The Impact of Conflict on Human Development from Childhood to Adulthood", forthcoming.
[64] ibid, p.24.
[65] Justino, Patricia (2014). "Barriers to Education in Conflict Affected Countries and Policy Opportunities". Paper commissioned for Fixing the Broken Promise of Education for All: Findings from the Global Initiative on Out-of-School Children (UIS/UNICEF, 2015), Montreal: UNESCO Institute for Statistics (UIS), p.4.
[66] World Bank 2004. Unlocking the employment potential in the Middle East and North Africa - toward a new social contract (English). Middle East and North Africa - MENA - Development Report. Washington, DC: World Bank, p. 1.

bulge should represent a demographic dividend, the lack of opportunities for youths and the growing inequalities in opportunity brought about the different conflicts in the region, will likely exacerbate existing problems, and may aggravate risks associated with the outbreak or renewal of violent conflicts (Justino, Leone and Salardi 2013). Solving the youth unemployment problem must be a collaborative effort; education reforms and the creation of viable employment opportunities for young people can turn a potential calamity into an opportunity for the Arab region (UN ESCWA 2015).

Put plainly, future human development in conflict affected countries of the Arab world has been compromised, and the subsequent human deficit will take generations to erase. Vulnerable populations also arise amongst refugees facing high levels of poverty who run the risk of getting trapped in intergenerational cycles of poverty if the host state is unable to provide sufficient services.[67] Limited or no access to basic services and the traumas caused by war and displacement makes younger generations particularly vulnerable to exploitation and recruitment by military or criminal entities.[68] In Jordan, for example, it was estimated that at least 30,000 Syrian children were working illegally.[69]

3.3   INSTITUTIONS, SOCIAL AND NATIONAL COHESION

In almost all states facing civil strife, security vacuums have emerged or expanded, in which underground networks have developed into tribal, sectarian and ethnic-based non-state actor groups controlling large sways of land, and which are capable of challenging existing state structures[70]. Such a trend is militarizing society and fragmenting it into smaller communally-based spheres which are suspicious of one another.

Large-scale displacements in the conflict countries themselves have altered the demographic makeup of those areas involved in conflict. This means that those regions which previously hosted a range of different population groups, religions, cultures and minorities have been emptied or altered so as to host only a single population group. These displacements lead to the militarization of communities as these societies turn to arms in order to protect themselves from perceived threats.[71]

Regarding governance in general, as can be seen from the figures below, five of the six dimensions of governance monitored by the World Bank through the *Worldwide Governance Indicators* (WGI) have worsened since the onset of crisis (Figure 7).

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[67] Cammack 2017, p. 11.

[68] Yahya 2015, pp. 21-22.

[69] Buchbinder, S., "Sex, Lies and Crime: Human Trafficking in the Middle East", *The Islamic Monthy*, 27 April 2015, *available [here](#)*.

[70] Gaub 2015, p. 7; Cammack, P., "To Address a Turbulent Arab World, Start With Governance", *Carnegie Endowment for International Peace*, 3 December 2015, *available [here](#)*.

[71] Yahya 2015, p. 3.

Figure 7: Worldwide Governance Indicators* in Arab countries in crisis (Iraq, Libya, Somalia, Sudan, Syria and Yemen) in 2010, 2013 and 2016
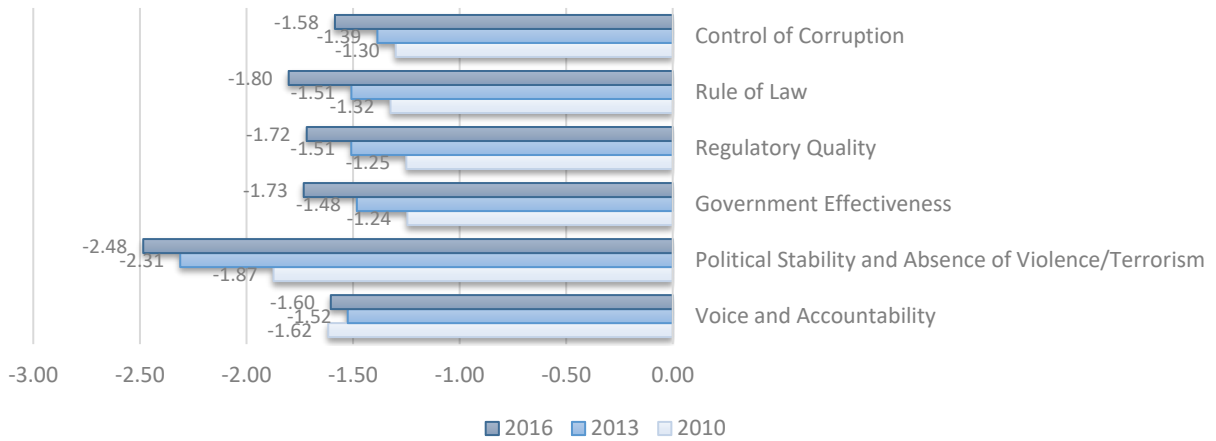
Source: ESCWA calculations, based on data from the World Bank.
* Simple averages; estimates range from approximately -2.50 (weak) to 2.50 (strong) performance.

The message here is clear – that should these issues continue and go un-addressed, it will be very difficult for the region to halt the downward spiral of mutually-reinforcing causes and effects of conflict, with disastrous consequences for generations to come. As the responsiveness of the State to all of its citizens breaks down and trust in the State diminishes, this undermines the institutions and rule of law which are inherent in SDG 16 and which lay the groundwork for successful progress towards all of the SDGs.

IV. CONCLUSIONS

In general, sustainable development in the Arab region will require moving towards peace, restoring basic functions of the State, and prioritizing between humanitarian and long-term development needs. The Sustainable Development Goals, and in particular SDG 16 on peaceful and inclusive societies, are the fundamental requirements to move towards development in the region and beyond. Provision of education, infrastructure, health, social protection, and basic services are critical tools for addressing grievances from different groups and help re-start economic and social development on a sustainable path[72].

Conflict afflicted countries across the region need to implement broad strategies that combine recovery from conflict with long-term sustainable development, and the 2030 Framework provides such an opportunity to link actions to deal with the impact of conflict with other SDG activities[73]. The broad scope of the SDGs, which encompasses areas central to all the components of sustainable development, represents an opportunity for states to implement shorth term strategies on humanitarian action and rebuilding state capacity, as well as longer-term development policies, that include addressing grievances while reducing the likelihood of conflict relapse. This paper argues that the SDG framework should align short-term

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[72] United Nations Department of Economic and Social Affairs, Public Institutions and Digital Government, 2018. "World Public Sector Report 2018, Chapter 7: Realizing the SDGs in post-conflict situations: Challenges for the State", page 154.

priorities with long-term development strategies and plans. Countries across the region may prioritize and sequence SDG adoption in their national and local development plans in order to overcome the conflict-relapse trap.

In the long run, countries need to be committed to promote inclusive policies, to address subnational diverseness, and guarantee no one is left behind in the development process, in particular those more affected by conflict exposure. The development of SDG national action plans provides the ideal framework for countries to include all fractions of society in the policy prioritization and implementation process.

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