ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA (ESCWA)

TRANSITION TO DEMOCRACY IN THE ARAB REGION:
REGIONAL COOPERATION MECHANISMS
IN COMPARATIVE PERSPECTIVE

United Nations
2013

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1 The paper is prepared by the Emerging and Conflict Related Issues Division (ECRI) of the United Nations Economic and Social Commission for Western Asia (UN-ESCWA).
As the wave of uprisings swept across Arab countries in 2010-2011, observers have highlighted the role of transnational linkages in influencing developments in the region. In this context, the potential role of effective regional cooperation mechanisms in addressing emerging needs as well as mitigating the effects of ongoing political transformations has also become increasingly evident. The following aims to comparatively present and analyze the existing cooperation mechanisms across nation-states in the Arab World. Section I provides an overview of civilian capacity-building processes in the region; Section II focuses on exploring mechanisms that aim to harness greater political inclusion; Section III looks at the regional dimension of initiatives that seek to promote rule of law; Section IV examines emerging regional cooperation patterns in public administration and service delivery; Section V analyzes prevailing collaborations across states to further economic revitalization; and finally, the study concludes with identifying capacity gaps, best practices as well as messages learned in Sections VI and VII.

I. Civilian Capacity Building:

Far from being a single monolithic phenomenon, recent Arab uprisings have varied in their trajectories and accordingly, created different national capacity needs on the ground. Whereas relatively peaceful transformations unfolded in Egypt and Tunisia, and some countries witnessed top-down ‘managed’ reforms in Jordan and Morocco, there were also cases of violent transitions in Libya, Syria, and to a lesser extent Yemen. Two issue areas have thus quickly emerged as priority areas for Arab policymakers: 1) Establishing institutions that respond to national demands for political change as well as, 2) broadening the scope of civilian expertise for peace-building.

Against this backdrop, the international community has increasingly emphasized the role of civilian capacities in institution-building. More specifically, ―strengthening national institutions that can provide security, justice and jobs in a framework of inclusive political processes‖ has been identified as crucial for Arab countries. The rationale for strengthening these core capacities is that (i) they can contribute to prevention of tensions from rising or recurring, as well as avoiding the need for international intervention (ii) stabilize ongoing transitions.

Building on the 2012 UN General Assembly resolution 66/255, the Civilian Capacities Initiative has identified four key areas as vital for peaceful and democratic political development in the region. These are: 1) Inclusionary political processes—constitutional, national mediation, and electoral mechanisms, as well as support for civil society actors; 2) Rule of law—transitional justice, as well as legal and judicial reforms; 3) Economic revitalization—employment generation, private sector and industrial development; 4) Public administration and service delivery— natural resource management, public works, infrastructure and services provision.

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While stressing the need for ‘national ownership’ in these four crucial aspects of the transition process, there has also been greater recognition of the vital importance of regional institutions, forums and actors in providing support for leaders at the nation-state level. “Regional subsidiarity” as articulated in chapter 8 of the UN Charter is clearly vital since, neighbors are sources of trade, cooperation, and even of potential shared administrative capacity. Conflict afflicted countries can impact their surrounding environments at the socio-economic, political and humanitarian levels. Further, regional dynamics can contribute to the spill-over effects of conflicts, or create incentives for peace dividends.

The regional dimension is particularly more significant in the case of the Arab World because of the weakness of modern nation-state structures and the prevalence of porous borders. At the societal level, strong socio-economic, and cultural ties exist among peoples of the region. In addition, the region boasts the League of Arab States, the oldest international institution in the world, as well as the GCC, which has quickly emerged as a successful model for sub-regional cooperation. Indeed, exploring regional cooperation in building civilian capacities, through supra-national institutions or informal networks among non-state actors, is central to successful political transitions as well as post-conflict recovery in the region.

II. Inclusive Political Processes:

Political processes that allow for national dialogue, free and fair elections, inclusive constitution writing, and support for civil society are central to the stabilization of polities transitioning from conflict. In the Arab World, regional efforts to institutionalize democratic governance practices have been overall weak, despite the urgent needs posed by the massive mobilizations of 2010-2011. Looking at interventions by regional bodies, particularly in the conflict afflicted cases of the Arab Spring of Libya, Syria and Yemen, it is evident that external actors from the region were more engaged in some instances than others. Further, the modalities for regional cooperation varied.

The Arab League paved the way for international intervention in Libya by requesting from the UN Security Council to enforce a no fly zone to protect civilians and by officially permitting NATO to use air strikes.3 This step tilted the balance of power towards the resistance forces centered in BenGhazi and weakened the Qaddafi regime’s fighting capacity. With the exception of symbolic troop presence by Qatar and the UAE, regional cooperation was manifested only through authorizing the internationalization of the conflict, and did not continue after the regime’s collapse.

In Syria, the initially peaceful uprising descended into violence as the regime deployed excessive force to quell the protestors. Regional cooperation here adopted a “soft power approach” aiming to persuade the Assad regime to give concessions and reach a settlement with the now armed opposition. Ultimately, the withdrawal of the Saudi representative followed by representatives of other Arab countries set the stage for ceasing the monitoring mission that aimed to maintain a fragile peace in the country. In this instance, Arab regional intervention was clearly weaker than the Libyan case, partially because geo-political alliances among Syria, Russia and Iran, hindered the internationalization of the conflict along the lines

3 Alyy Al Din Hilal, The Arab Regional System In Transition. Political Issues No 7 (Beirut, Center for Arab Unity Studies, 2012). 32.
of Libya. The role of regional actors such as Saudi Arabia and Qatar, is now manifested in diplomatically endorsing, and financially supporting the Freedom Army.

In Yemen, regional cooperation played a bigger and qualitatively different role than in the other two cases. Yemen’s geographic proximity to the GCC countries and the state’s inability to concentrate the legitimate use of force within its territories rendered the country’s stabilization a geostrategic priority particularly for neighboring Saudi Arabia. Unlike Syria, Yemen lacked alliances with geostrategic powers. The constellation of these factors set the Yemeni example apart from the other two cases. Here, regional cooperation with the assistance of the United Nations, led to the deepest engagement with conflict afflicted countries. The GCC initiative was successful at reaching a negotiated settlement as the uprising turned violent following the shifting in tribal alliances in favor of the opposition and Saleh’s injury. The initiative envisaged a transition period until 2014, divided into two phases. Phase I covered the early presidential election held on February 21, 2012, and ended with the inauguration of the new president. Phase II covers the remaining period until 2014 and includes “consideration of changes to the constitution; a constitutional referendum; reform of political and electoral laws; parliamentary and local council elections; and presidential elections, if required.” A key stage in phase II of the initiative is the National Dialogue Conference (NDC), which has emerged as a unique model of mediation among countries undergoing transition post-the Arab Spring. The NDC was explicitly designed to be an inclusionary mechanism for mediation encompassing secessionist movements, as well as representatives from traditionally marginalized constituencies like women and youths. Membership is officially outlined in the following terms: “For all political forces and powers including the youth, southern movement, Houthis, all political parties, civil society representatives and women sector. Women shall be represented among all participating parties (Paragraph 20).”

The NDC was tasked with devising solutions for a range of heavy weight challenges. These include: The process for formulating the constitution including the creation of a committee for this purpose, addressing the southern issue as well as the reasons for tension in Sa’dah, unifying armed forces, taking steps towards transitional justice and national reconciliation, as well as building central state institutions, including reform of civil service, justice [system] and local administration. The Conference’s successful implementation thus far and its ability to draw representation from broad segments of society to democratically exchange views, regardless of tribal or social hierarchies, has rendered the Yemeni experience a model for inclusionary practices in the course of the transition. In fact, some observers go as far as arguing that the NDC’s inclusive modus operandi may have worked to its disadvantage. “In its inclusive approach toward negotiating the political transition, the NDC has invited repeated protests by the revolutionary youth who have continued to demand the exclusion of Saleh and his associates from the political scene.” Notwithstanding its potential shortcomings and the, Yemen’s national dialogue process distinguishes it from other Arab Spring Countries “where revolutionary discourse paired with increasing levels of violence led

4 Although sub-state actors, like the Houthis seem to have links to regional powers like Iran.  
6 Ibid.  
7 Ibid.  
to intractable stand-offs and the complete discrediting of the ancient regime’s “remnants” (feloul), ignoring that they were still there as a political power to be recognized.”

Unlike the experiences of the Arab region, other developing areas have developed transnational mechanisms specifically designed to promote greater democratic governance and inclusion in the political arena, as well as prevent conflict. According to its founding document, the African Union seeks to “promote democratic principles and institutions, popular participation and good governance” and to “promote and protect human and peoples’ rights in accordance with the African Charter on Human and Peoples’ Rights and other relevant human rights instruments”. The African Union is empowered to assess the governance performance of member states. In fact, as part of its mandate the Union not only monitors major public policies and decision-making processes at the individual states level, but can even sanction member states for non-compliance with its founding document. Further, African states have adopted a regional peer assessment mechanism in an effort to ensure that regional cooperation is unfolding within the context of high standards of governance. Officially the peer review mechanism falls under the New Partnership for Development in Africa and covers focus areas: Political governance, economic governance, corporate governance and socio-economic development. In response to the continent’s history of intra-state violence, the African Union has also assumed the right to violate state sovereignty and intervene “pursuant to a decision by its supreme body in respect of the three ‘core crimes’ (genocide, war crimes, crimes against humanity).”

The African Union has also uniquely adopted a regional policy in 2006 setting benchmarks for constitution-writing mechanisms. Known as the Post-Conflict Reconstruction and Development (PCRD) framework, the guidelines emphasize consensus building, involving broad-based participation, as an initial pre-requisite step for writing new constitutions. Beyond stressing the emerging norm of popular participation in constitution making and congruence of newly written constitutions with the constitutive act of the African Union, the PCR framework leaves the details for developing constitutional mechanisms unspecified. This reflects the reality that there is not a single ideal for constitution-writing and that in fact designing constitution-making processes needs to be context specific. In other words, while specialists agree that constitution-making practice has evolved in such a way that “norms of democratic procedure, transparency, and accountability that are applied to daily decision making are now also demanded for constitutional deliberations,” there is no consensus on how to design the process itself. Indeed, there are two procedures commonly adopted for constitution-making. One is the deliberative model, in which members of the constituent assembly are selected for the specific purpose of drafting a constitution. The other is the representative model which is built on the assumption that “elected constituent assemblies or legislatures will be more representative than other types of forums and ought to produce terms that are more “other-regarding” as well as constitutions that enjoy more public support and endure.”

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9 Ibid. 8.
10 African Union Constitutive Act 2000, Article 3 (g) & (h).
11 African Peer Review Mechanism http://www.nepad.org/economicandcorporategovernance/african-peer-review-mechanism/about
12 Kennedy Graham, Building Capacity for Democracy, Peace and Social Progress” The 6th International Conference of New or Restored Democracies (ICNDRD-6) Doha, Qatar 29 October-1 November, 2006
instance allocated seats for marginalized groups in order to ensure fair representation. Other countries experiencing violence have opted for combining both electoral and appointment mechanisms in the drafting of constitutions (e.g. Uganda).

In Latin America, some analysts attribute the region’s transition from military rule to electoral democracies to external regional influences. Indeed, continued membership in the Organization of American States (OAS) is officially contingent on the prevalence of representative democracy. According to the 2001 OAS charter, key components of democratic orders include, “inter alia, respect for human rights and fundamental freedoms; access to and the exercise of power in accordance with the rule of law; the holding of periodic, free, and fair elections based on secret balloting and universal suffrage as an expression of the sovereignty of the people; the pluralistic system of political parties and organizations; and the separation of powers and independence of the branches of government.” Further, the OAS extends support to member states in the forms of electoral monitoring, campaign financing reforms, as well as modernization of legislations. Nonetheless, the organization’s ability to perform these functions has been restricted by its consensus based decision-making model, as well as the fact that OAS operations (e.g. monitoring of elections) are contingent on member states invitation. As a result, the OAS has been in some cases unable to respond to electoral fraud or constitutional violations.

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<th>Table 1 ASEAN’s experience in Crisis Prevention and Recover (Adapted from World Development Report 2011)</th>
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<td>The ASEAN Troika in the Cambodian conflict of 1997–99, the Timor-Leste peacekeeping operation of 1999 onward, the Aceh Reconciliation of 2005, and the Myanmar Cyclone Nargis catastrophe of May 2008 were cases of mediation and eventual resolution where the regions and some ASEAN member states have made valuable contributions and learned lessons from the process. It has always been like putting pieces of a diplomatic jigsaw together, weaving tapestry of peace, improvising the best modality and pattern from the available and suitable materials at hand. ASEAN structures can play an important political convening role when there are sensitivities with member states. There was a higher level of mutual confidence between Indonesia and the ASEAN states participating in the Timor-Leste operation. ASEAN got around the rigid principle of “non-interference” by offering troops under a joint command with an “ASEAN” military leader taking an active leadership role. And Indonesia made it easier for all ASEAN partners by issuing an invitation to come and assist. In Myanmar, ASEAN played a central role in the dialogue with the Government after Cyclone Nargis, helping to open up the affected areas. A second lesson is that regional initiatives can find useful combinations of capacity between local knowledge and political convening role, and the technical capacities of other partners. The work in support of recovery after Cyclone Nargis was supported by technical teams from the World Bank, and performed in conjunction with the United Nations. In the Aceh Monitoring Mission, ASEAN worked jointly with colleagues from the European Union who brought valuable technical knowledge. In Timor-Leste, years of joint military training and exercises between the Philippines, Republic of Korea, and Thailand, supported by partners outside the region such as the United States, paid off. The troops on the ground could communicate, cooperate, and conduct joint operations without any delay—but their experiences in Timor-Leste also added to their capacity. In Myanmar, ASEAN’s role meant drawing on personnel from many member states, such as Indonesia, Thailand, and Singapore, who have extensive experience of managing post-disaster recovery, and also building capacity within the Secretariat. Linked to long-term programs of capacity-building with some of donor partners, these experiences make ASEAN more ready to face new challenges in the future. The cumulative results of these efforts in managing political conflicts and natural disaster relief have helped ASEAN in enhancing its capacity to coordinate development cooperation strategies.</td>
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17 OAS Inter-American Democratic Charter (2001), Article 3.
III. Rule of Law

Official regional cooperation in the Arab World in the areas of transitional justice, rule of law, and crisis prevention has thus far been severely lacking. Indeed, member states resisted the adoption of a human rights charter for several years. It was only in 2004 that the Arab Charter in Human Rights was formally adopted by member states. Based on the 2004 Charter, the Arab Human Rights Committee issues reports every three years to assess the state of human rights in the region. In recent years, the Arab League has developed, in cooperation with the European Union and UNDP, a crisis early warning system. The project, which is also envisioned to be linked to Europe’s warning system, has thus far focused on environmentally induced crises or natural disasters. However, the system could be potentially developed within a peace-building framework, which would allow the EU and the UN to upgrade civilian capacity in this crucial area. Indeed, an early warning system for crises would ensure timely response by states, as well as the adoption of effective conflict prevention measures by the League of Arab States.

Other venues for regional cooperation in the legal sphere are: Arab institute for Human Rights and the Arab Center for Development of Rule of Law and Integrity (ACRLI). The Arab institute functions as a pan-Arab NGO with representatives in various NGO bodies. Its 2012-2015 strategy broadly aimed at instituting a culture of human rights, strengthening the sustainability of civil society and new actors, as well as building the capacity of stakeholders to participate in development initiatives. Although the Institute has produced studies on transitional justice in the region, its engagement with policymakers to upgrade national capacity in this area seems relatively weak.

ACRLI, on the other hand, is a regional NGO with members from eight Arab countries. It has developed a reputation as a regional non-state actor in the field of legal reforms by implementing projects ranging from training Yemeni judiciary to modernizing Public Prosecution offices and upgrading the capacity of Iraqi authorities to reform and manage prisons. This regional NGO is an example of attempts by non-state actors to promote rule of law not through advocacy but project implementation. While this arrangement affords them access to policy-makers, their long-term sustainability is dependent on donor funding.

Other regional experiences show the potential for cooperation among states to enhance rule of law through a variety of mechanisms for conflict prevention and transitional justice. For instance, crisis prevention is a central component of the OAS’s operations. The system helps policymakers identify problems at an early stage, and take appropriate course of action to diffuse potential sources of conflicts. In addition, within its peace-building crisis prevention framework, the organization provides support for member states to resolve bilateral disputes through facilitation and third party mediation. In the African context, conflict prevention has been promoted through establishing a system that monitors food security. “A multi-agency food security early warning systems that use satellite data to anticipate crop failures and food shortages include the Global Information and Early Warning System, which aims to improve food security response planning in 22 drought-prone African countries — and the

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Famine Early Warning system Network, which monitors food supply and demand in all countries, with special emphasis on 80 low-income, food-deficit nations.\(^\text{20}\)

As for human security and mechanisms for transitional justice, several models have been adopted in other parts of the world. In the context of the Americas, OAS’s autonomous Inter-American Court of Human Rights constitutes a judicial mechanism for the application and interpretation of the American Convention of Human Rights (1969). The court, which the League of Arab States has not institutionally activated its counterpart, provides a mechanism for monitoring human rights situations across the region and putting the convention of rights into practice. Further, the inter-American Commission on Human Rights has provided recourse for individuals who have suffered violations of their rights, thereby instituting a mechanism for transitional justice in the wake of the region’s transition from rule by Juntas in the 1980s to electoral democracy in the 1990s. As part of its mission the commission also extends support to member states, in order to build institutional capacity in the area of human rights protection.

In the African context, ongoing conflicts have served to highlight the need for striking a delicate balance between achieving justice and allowing society to move beyond the crimes of the past. As leaders in the continent have become targets of the International Criminal Court, skeptics have argued for African models of justice, along the lines of truth and reconciliation commissions in South Africa, Uganda, etc. The African Union has developed policy framework for Post-Conflict Reconstruction and Development (PCRD) that seeks to guarantee “human rights, justice, and reconciliation” by invoking traditional models of reconciliation and/or justice “to the extent that they are consistent with the African Charter on Human and Peoples Rights.”\(^\text{21}\) More specifically, the Union’s guidelines include the development of context specific models to address grievances, mobilizing society to ensure the model’s legitimacy, as well as encouraging peace-building and reconciliation from the national to the grassroots levels.\(^\text{22}\)

**IV. Public Administration and Service Delivery**

The Arab world has been witnessing newly emerging forms of regional coordination and cooperation in the areas of public administration and service delivery. Although this pattern is limited to the GCC countries, it sets an important precedent for the region’s future development. The GCC countries concluded their annual summit in December 2011 by endorsing a Saudi proposal to move beyond the inter-state cooperation stage towards integration as a unified entity.\(^\text{23}\) Although it remains to be seen if member states are in fact willing to secede their political authority to a supranational entity, states in the Gulf have recently moved ahead with a number of joint infrastructural projects. Chief among these is the development of national rail capability which would facilitate interstate travel throughout the GCC and possibly to Europe via Syria and Turkey.\(^\text{24}\) Railway construction is underway in

\(^\text{22}\) Ibid.
the UAE, whose emirates are not integrated other than by road, and in Saudi Arabia. Another important shared infrastructural project is a common GCC electricity grid. The grid has been developed by the GCC Interconnection Authority (GCCIA), based in Khobar, which is shared by all six member states. According to analysts, “this is a potentially valuable economic and strategic development, given the constraints on meeting domestic energy needs for much of the GCC, and the particular problems in the poorer northern emirates of the UAE and in energy-poor Bahrain.” Aside from the railway and electricity project, GCC countries have also been reported to be integrating their telecommunications sectors. The effects of these cross-borders initiatives are obviously to deepen integration among GCC countries, but also to enhance access by citizens as well as encourage private sector investment.

Another form of regional cooperation in public service delivery has been through development funds, such as the Islamic Solidarity Fund, the Kuwait Fund for Arab Economic Development, and the Qatar Foundation, among others. These development funds seek to address the needs of the region’s underprivileged population by extending services in their communities. Programs typically include establishing schools, health clinics, as well as small business credit programs designed to alleviate poverty levels. The emergence of these funds constitutes a nuanced transnational form of cooperation. This is the case since they are often funded by governments (or privately by members of ruling class), but operate through NGOs that serve as their implementing partners in recipient countries. In contrast to grassroots social movements that operate across national boundaries, these funds are top-down driven and indirectly linked to state interests.

As for building civilian capacity in the area of public administration, the region’s primary cooperation mechanism is through ARADO, a nonprofit agency affiliated with the Arab League. ARADO has traditionally served as a venue for regional knowledge sharing and technical capacity building for civil servants across the region. More specifically, promoting the use of modern management techniques are among the institution’s official goals. In addition, ARADO seeks to foster greater competition among private and public sector training providers in the area of public administration. Despite its ambitious mandates, ARADO’s actual capacity to enhance institution building efforts or reform existing structures in post-conflict settings is rather limited due to the shortage of its resources.

Looking at experiences of regional collaboration elsewhere, it is evident that there is room for greater collaboration in the area of public administration. Indeed, pooling subregional administrative capacities can allow states to develop institutional capabilities they could not manage on their own. There are a range of initiatives that could be undertaken in this area, depending on regional needs—from programs that deliver the specialized assistance for reform of security and justice sectors and multisectoral community programs at a regional level, to pooled administrative capacity to address skills and training for youth, as with shared university facilities. The principle of such an initiative would be to build on local knowledge and legitimacy of regional institutions, in combination with the technical and financial capacity of global agencies. “Delivered through regional institutions in collaboration with global agencies, this approach could adapt lessons from initiatives that have already successfully pooled developed shared regional capacity, such as justice in the Caribbean. It could also draw lessons from existing cross-border cooperation, such as the Greater Mekong

Subregion, West Africa’s initiatives on trafficking and economic integration, and the European Union’s programs for previously conflict-affected border regions.\textsuperscript{26}

Indeed, three regions that have experimented with the pooling of national resources in public service delivery are, the Pacific Islands, Sub-Saharan Africa and Eastern Caribbean. These regions tend to have relatively fragile state structures. In these contexts, “the poor quality of public services is often a serious obstacle to economic growth and degrades citizen confidence in government. Most countries spend around 12 percent of GDP on government goods and services, but non-fragile states spend about twice as much as fragile states do in per capita terms (the average low-income fragile or conflict-affected state spends US$38 per capita on government goods and services, while the average low-income non-fragile state spends US$80).”\textsuperscript{27}

Indeed, the Pacific Islands Forum’s Pacific Plan for Regional Integration and Cooperation includes a provision for regional pooling of national services (customs, health, education, sports). Shared administration also has significant potential, since small and fragile states can benefit from pooling of functions.

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<th>Pooling Services Regionally (Adapted from World Development Report 2011)</th>
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<td>In the past three decades, the role of regional organizations as providers of public services has also increased in Sub-Saharan Africa and the eastern Caribbean. Political independence brought self-determination but also meant that services formerly provided through colonial institutions had to be supplied by fledgling national institutions. Several countries responded by pooling resources regionally and contracting out some public service provision to the newly created regional organizations. In most cases, the services contracted out were advisory rather than executive. For instance, countries relied on regional organizations for advisory aspects of banking supervision (as with the Eastern Caribbean Central Bank or the Banque des Etats de l’Afrique Centrale, 66 and the Banque Centrale des Etats de l’Afrique de l’Ouest), 67 while retaining the role of each country’s sovereign government in enforcing recommendations. In hindsight, this model worked well when there was a tradition of cooperation in central banking that predated independence. By pooling resources, countries have produced higher quality services and better civil servants than would have been possible had the countries acted separately. The success of this model has encouraged other experiments. The Eastern Caribbean Central Bank, Civil Aviation Authority, and Supreme Court, regional entities under the Revised Organisation of Eastern Caribbean States Treaty, have been followed by a joint telecommunications regulator, the Eastern Caribbean Telecommunications Authority, and a joint natural disaster risk pooling mechanism, the Caribbean Catastrophic Risk Insurance Fund. These organizations have also raised the bar on what the public and politicians expect for the quality of public services. Similarly, the regional central banks were followed in 1993 by the Organisation pour l’Harmonisation en Afrique du Droit des Affaires in Central and West Africa, founded to harmonize business law among member countries and serve as a supranational appeals court on aspects of business law. The West Africa Telecommunications Regulatory Agreement, established in 2002, has pursued the harmonization and integration of the telecommunications market in West Africa. Although the role of regional organizations as public service providers has not developed to the same extent in the Pacific, due in part to vast distances and more diverse historical and cultural backgrounds, the University of the South Pacific is an initiative that others can learn from. Opened in 1968 and supported by 12 Pacific Island countries, it is acknowledged internationally as a credible institution of higher learning.</td>
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\textsuperscript{26} World bank, World Development Report 2011. 284.  
\textsuperscript{27} Ibid. 235.
V. Economic Revitalization

In recent years, following the second oil boom affluent states in the region have adopted economic diversification strategies, including investments by Sovereign Investment Funds in various parts of the world. The Arab uprisings, however, created new political incentives to direct resources to countries in the region in order to stabilize emerging political orders. Economic aid packages in the form of Official Development Assistance and budget support from Saudi Arabia, the UAE and Qatar have been instrumental in stabilizing post-Mubarak’s Egypt. Faced with IMF conditionality, the country’s leadership turned to neighboring states for assistance, which was generously pledged in the amounts of $4 billion from the Saudis and $3 billion from the UAE. Qatar, however, has emerged as a major donor to Egypt since the uprising with an estimated $8 billion in assistance. In the case of Tunisia, economic stabilization has been made possible, thanks to an assistance package from Libya estimated at 98 million Euros. Both Jordan and Morocco have received aid packages from the Gulf to stabilize the reigning monarchies. Regional cooperation at this level is geared toward meeting urgent post-crisis needs or to preempt conflict eruption. Rather, than being geared towards industrial economic development, its purpose has often been to stabilize currencies, and inject much needed cash into the economy. Regional cooperation has not been geared, however, towards meeting humanitarian needs of displaced populations across the region. With the ongoing conflict in Syria, both Jordan and Lebanon have had to shoulder the responsibility of hosting refugees fleeing the violence with little or no support from regional actors.

As for private sector development through regional level initiatives, there have been few partnerships among firms in different countries, with the notable exception of the GCC countries. Nonetheless, intra-regional investment has increased over the last few years. By 2012, it has surpassed investments originating from Western countries. Whereas, Western Europe and North America have historically brought the most projects by number to the Middle East, with 59% of the total between 2003 and 2011, investment by value has become increasingly concentrated on intra-regional investment. The Arab uprisings may have indeed contributed to this trend. Indeed, there are reports well off segments of Syria’s displaced population have invested in host countries. Estimates of Syrian investments in Saudi Arabia, for instance, has been estimated at SR900 million. In contrast to investment patterns, intra-regional trade remains limited. In fact, the bulk of Arab countries’ exports tend to be destined for Asia and Europe.

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31 See Hania
Workers’ remittances traditionally constituted another economic linkage across countries in the region. Oil poor states have been able to indirectly benefit from the oil boom in the 1970s through exporting labor to Saudi Arabia and the Gulf states. Since the 1990s, however, demand for Arab labor in the oil rich states has declined, as these countries turned to hiring workers from South Asia and other parts of the world. Recent data suggests that workers’ remittances have remained a major source of income for countries like Egypt and Lebanon. Nonetheless, the uprisings negatively affected the inflow of workers’ remittances in relative terms. According to one estimate for instance, Egyptian expatriate labor in Saudi Arabia sent 30% less remittances in 2012 compared to 2010. The problem has been further compounded by the return of 70% of workers that had previously worked in Libya and typically transferred $100 million to the country annually.

Regional NGO networks play an important role in terms of economic revitalization and job creation. An important example is the Arab NGO Network for Development (ANND) which operates in 12 Arab countries with seven national networks (with an extended membership of 200 CSOs from different backgrounds) and 23 NGO members. Established in 1997, ANND focuses on advocating for sound socioeconomic reform, sustainable development, and a rights-based approach. In response to the lack of attention to social justice and economic reform in countries that experienced the uprisings, ANND has lobbied major donors to promote the adoption of inclusive economic development policies.

Another example of regional non-state actors that play a crucial role in economic development is SANABEL, which is a regional network of NGOs that provide microfinance. Since the majority of the region’s population is employed in the informal sector, which predominantly consists of micro and small-sized businesses, SANABEL’s operations are crucial for the region’s future economic development. The network was established in 2002 with representatives from seven Arab countries. Officially, its mission is, to increase access to financial services by low income groups in the Arab World. SANABEL, accordingly, seeks to build capacity of micro-finance providers, advocate for better regulations of the sector, promote microfinance best practices across the region, as well as foster innovation through identifying new trends in technological developments, product diversification as well as financial services.

Looking beyond the Arab region, there are examples of more systematic regional cooperation in aimed at stimulating economic activities and growth. For instance, in the aftermath of the global financial crisis of 2008-2009, the members of MERCOSUR (Argentina, Brazil, Paraguay and Uruguay at the time, Venezuela became a full member only in 2012) successfully launched a series of simultaneous counter-cyclical policy actions to mitigate the effects of the adverse external environment and falling prices of their main export commodities. These countries recognized that their increasing intra-regional links required coordinated measures to support their economies and maintain domestic jobs. Despite some non-automatic trade barriers temporarily raised by two of its members, they deepened their

38 http://www.annd.org/english/aboutus.php
trade integration, advanced towards regional financing mechanisms and negotiated trade agreements with other parties as a bloc.

VI. Taking Stock: Capacity Gaps and Best Practices

The Arab region has been witnessing the emergence of new forms of regional cooperation. These include shared infrastructural development projects, increasing intra-regional investment levels, as well as the rise of new transnational social movements that advocate for greater political inclusion, rights-based development and human rights. In addition, the GCC has assumed a leading role in responding to crises associated with the Arab Spring, although both the degree and modality of its engagement varied significantly. In this context, Yemen’s dialogue process can be perhaps showcased as the outcome of successful regional cooperation. Notwithstanding these positive developments, there are clear capacity gaps. The Arab region lacks institutional mechanisms to assess governance performance of states overtime, to promote the adoption of democratic governance practices, or to enhance institution-building in countries where state structures are weak. This has had negative consequences particularly in the case of countries that drafted new constitutions. For instance, in the case of Egypt the representative model was adopted but the process was neither sufficiently participatory nor did it include effective veil. As a result, the ongoing transition is considered by many to be lacking both popular legitimacy, as well as sufficient guarantees for separations of powers. Another major gap at the level of regional organization is the absence of peace-building capacity. Given the high incidence of conflict in the region, this is indeed a major weakness in the prevailing regional cooperation institutions that renders them less capable in addressing war to peace transition challenges, or extending relief to displaced populations. Finally, rule of law is another area where regional cooperation needs to be further enhanced. While Arab states have adopted a Charter on human rights, they did not establish an effective mechanism for its enforcement. As a result, post the Arab spring, the region has not been able to offer solutions for pressing problems of transitional justice at the country level.

Our analysis of other regions’ experiences demonstrates the ability of developing countries to develop collective mechanisms that effectively address the needs of post-conflict societies. Both the AU and the OAS have viable mechanisms for monitoring governance performance, securing that countries abide by their Charters, as well as promoting democratic accountability. Both regional bodies have institutionalized mechanisms for enhancing the rule of law. The AU has gone as far as allowing violation of state sovereignty in cases of major crimes against civilians, while the OAS has established a mechanism whereby victims can seek retribution and human security can be better preserved. ASEAN’s rich experience in peace-building reflects the effectiveness of drawing on the experiences of member states in mediation and post-conflict recovery, as well as partnering with international actors to address peace-building needs. At the level of public service delivery, there are success stories of fragile states pooling resources to extend vital services to their citizens. These initiatives can be models for the development of innovative regional mechanisms whereby weak states in the region can deliver services to their citizens. Last, successful efforts by MERCOSUR member states to stabilize their economies provide an example of collaboration in the face of economic crises. Given the volatility of markets in countries of the Arab Spring, the establishment of collective institutionalized mechanisms that can flexibly meet their economic needs is a priority for policymakers in the region.
VII. Messages and Lessons Learned

Several key lessons could be drawn on the bases of the presented analysis. First, while Yemen’s dialogue process could be viewed as a success story in regional cooperation, supranational initiatives aimed at promoting greater inclusion into the political arena need to be further developed. The League of Arab States’ early warning system could be further developed to function within a peace-building framework to include preparedness for conflict prevention. Further, extension of Official Development Assistance to newly elected governments post the Arab Spring needs to be sensitive to governance performance, in order to avoid the earlier pitfalls of providing aid to repressive regimes. In addition, since many of the initiatives aimed at expanding the margin of civil and political rights are undertaken by non-state actors, there is a need to ensure the sustainability of these players. Indeed, the capacity of newly emergent transnational social movements as well as advocacy-focused regional networks of NGOs to continue to operate hinges on legal stipulations in the countries where they operate. Drafting NGO laws that continue to empower these regional actors to perform their roles is crucial for enhancing political inclusion.

Second, Arab regional cooperation is particularly lacking in the areas of rule of law and peace-building. In light of ongoing conflicts and transitions, this poses serious risks not just at the level of human security, but also at the level of state security. There is a pressing need to activate the Arab Human Rights Charter through an effective judicial mechanism. In addition, the region needs to develop a peace-building policy-framework, as an initial step towards building capacity of member states to intervene in conflict situation and to adequately address post-conflict reconstruction needs.

Third, although the GCC has been moving forward with integrating infrastructure development and service delivery, the experience needs to be replicated in other parts of the Arab World. In some instances, pooling resources cross-nationally will be an effective first step towards meeting the common needs of citizens.

Finally, economic revitalization in the region requires a move away from ad-hoc support in the form of aid packages and budget injections towards development of more institutionalized mechanisms for handling the effects of economic downturns. Collaboration among oil rich and non-oil producing states in this area is crucial, since as demonstrated by the events of the Arab Spring developments in the region tend to have strong spillover effects.

Discussion Questions:

- Could mechanisms for political inclusion that are institutionalized as part of regional structures elsewhere, such as the African Union and the Organization of American States, be successfully replicated in the Arab region?
- Is the GCC’s growing inter-state cooperation uniquely rooted in the small number of its member states and their relatively similar socio-economic and political structures? Or could the GCC experience constitute a stepping stone for strengthening wider Pan-Arab cooperation mechanisms?
- How far can states in the region successfully move forward with institutionalizing a regional mechanism for enhancing economic collaboration? The question is vital in lights of growing economic pressures in countries that experienced uprisings, as well as official hesitation to adopt IMF sponsored reforms.