ESCWA in the News

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➢ Launch of the Survey of Economic and Social Developments in the Arab Region 2015-2016

1. The Washington Post: Arab Spring cost more than $600 billion worth of growth, U.N. report says

2. The New Arab: Arab spring ‘cost $600bn’ as Egyptians protest economic strife

3. Middle East Confidential: Arab states lose more than $600 billion in 4 years due to Arab Spring

4. Standard Examiner: Arab Spring cost more than $600 billion worth of growth, UN report says

5. Mirage News: “Arab Spring” cost Middle East economies $600 billion, UN says

6. Breitbart News: Arab Spring Price Tag Calculated at $614 Billion
The uprisings that became known as the Arab Spring were sparked in December 2010, when a young Tunisian fruit seller set himself on fire in response to harassment from police officers. Within months, huge protests had spread throughout the Arab world, taking down autocratic governments in four countries but also sparking horrific civil wars and giving fuel to religious and sectarian extremism in the region.

Now a new report from the United Nations suggests that the turmoil in the years since 2010 has left a heavy economic imprint in the Arab region — in particular, leading to a net loss of $613.8 billion in economic activity, or about 6 percent of gross domestic product from 2011 to 2015.

The lengthy report, published by the U.N. Economic and Social Commission for Western Asia on Thursday, used estimates of growth made before 2011 to help understand this loss. It is the first report of its kind to be made by a major economic body, and although it focuses only on the economic situation, it provides a rare quantification of the cost of the Arab Spring for the region's inhabitants.

The commission noted that it was not just the conflict and political turmoil in the region that hurt its economic situation — low oil prices have also led to a sharp decline in export revenue for many Arab economies over the past year. But conflict is noted as one of the largest drivers of the economic loss. The crisis in Syria, now in its sixth year, is estimated to have caused GDP and capital losses of $259 billion since 2011, according to estimates from another U.N. group, the National Agenda for the Future of Syria.

The report points to some glimmers of hope, noting, for example, that in other regions, conflict and regime change has eventually had a long-term positive effect on countries. But political transitions in the Arab world have not largely not helped economic growth, the report finds, in part because there have not been reforms that addressed the issues that led to the Arab Spring unrest.
The conflicts have also had huge social implications, including large-scale population displacement and rising unemployment in countries that underwent conflict or those that have received refugees because of conflicts in neighboring countries. The situation is especially difficult for women, who tend to participate in the labor market at a far lesser extent than men in Arab countries.

The report also cites data from Transparency International's Corruption Perceptions Index, finding that Arab countries are perceived as some of the most corrupt on the planet — and despite the role of corruption in sparking protests in 2010 and 2011, corruption is actually perceived to have increased in many Arab countries over the past five years.

The U.N. economic commission lists a number of policy recommendations in its report to help repair the situation, including the “key” aspect of financing reconstruction through domestic resources and foreign assistance. Mohamed el Moctar Mohamed el Hacene, the commission’s economic development director, told Reuters that the oil downturn may force some countries to put in place “economic reforms leading to real diversification.”

But the country would need more support from the international community if it was to truly recover. “We have seen in Latin America, Eastern Europe and the Balkans the support they got in order to recover after conflict,” Hacene said. “We have not seen so far such support occurring for the Arab region.”

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Five years after Egypt’s Arab Spring: ‘We didn’t need a revolution’

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Arab Spring 'cost $600bn' as Egyptians protest economic strife

The Egyptian revolution has fuelled economic woes in the country [Getty]
Date of publication: 11 November, 2016

The Arab Spring cost the Middle East an estimated $600 billion, according to a UN report that made no mention of the violent counter revolutions carried out by the regimes

has cost Middle East economies $614 billion, a UN agency has said, with protests planned in Egypt on Friday as it bears the brunt of economic woes.

The figure, resulting from regime changes, continuing conflict and falling oil prices since the 2011 uprisings, is the equivalent of six percent GDP, based on growth estimates made before the revolutions started which toppled four leaders, making regimes and their supporters plunge Yemen, Syria and Libya into war.

Tags: Arab Spring, Egypt, economy, IMF loan, protests, revolution, Tunisia, Yemen, Syria, Libya
The estimate, from the United Nations Economic and Social Commission for Western Asia, is the first of its kind by a global economic body.

Mohamed el Moctar Mohamed el Hacene, ESCWA's economic development director, said the region needed support from the international community to recover.

"We have seen in Latin America, Eastern Europe and the Balkans the support they got in order to recover after conflict. We have not seen so far such support occurring for the Arab region," he said.

Oil prices began to slide in mid-2014 and fell to 13-year lows this January, hitting producer countries such as Saudi Arabia, and others including Lebanon that rely on remittances from citizens working in Gulf Arab states.

But el Hacene said the oil downturn would probably benefit producer countries.

"They will put in place economic reforms leading to real diversification," he told Reuters.

Egyptians are looking at a period of hardship as the government unrolls austerity measures ahead of the International Monetary Fund programme, which will inject $12 billion into its economy in turn for Egypt floating the Pound.

The country has endured months of shortages of products ranging from sugar to baby formula as inflation and economic downturn plague the country since a coup brought the current president to power.

Previous Cairo governments had avoided the measures fearing unrest, as many people face even higher living costs in a country where millions are living off hand-outs, but President Abdel Fattah al-Sisi says Egypt no longer has the luxury of postponing them.

A so-called "Revolution of the Poor" was planned to take place in Cairo on Friday, although security forces have been clamping down on people organising anti-government demonstrations.

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Arab states lose more than $600 billion in 4 years due to Arab Spring

A self immolation in Tunisia in December 2010 which gave birth to protest against the Ben Ali regime and eventually led to its downfall before crossing borders into other countries in North Africa and the Middle East has immensely contributed to an estimated loss of $614 billion of growth together with the falling oil prices according to United Nations Economic and Social Commission for Western Asia (ESCWA). The protests generally classified as the Arab Spring have led to regime change, continuing conflict in several countries and presence of different political authorities within a country governing territories independently.

The report pointed out that “the economic and political uncertainty that has characterized the Arab region in the wake of the 2011 transitions and upheaval continues to restrain the region’s prospects for growth, job creation and stability.” The estimated loss calculated based on growth projections before the 2011 demonstrations account for 6% of the GDP of the region between 2011 and 2015.

Unlike countries like Libya, Syria and Yemen, some countries have been able to surpass the violence but are struggling with economic challenges like the cases of Tunisia and Egypt while Bahrain has been able to suppress mass demonstrations but continues to face protests for profound constitutional and political reforms. Syria accounts for 42% of the estimated growth setback with combined GDP and capital losses of $259 billion since 2011.

Countries that were less affected by the Arab Spring suffered from the low oil prices but Mohamed el Moctar O Mohamed el Hacene, ESCWA’s Economic Development director, said “economic reforms leading to real diversification” should be introduced. Most of the Gulf countries are caught in such circumstances.

Some of the stable countries had their economies affected by the indirect effects of war such as refugee influx and safety concerns with regards to tourism; which has put pressure on their limited resources.

The report noted some positive signs such as progress on social indicators such as gender equality but urged for financial support to the region to help it “recover” after the conflict because there have not been much in this regard when compared to the conflict periods that Latin America, Eastern Europe and the Balkans have experienced.

Written by: Peter Mulvany on November 11, 2016.
Last revised by: Jaber Ali

Short URL: http://me-confidential.com/?p=14229
Arab Spring cost more than $600 billion worth of growth, UN report says

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Adam Taylor
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The uprisings that became known as the Arab Spring were sparked in December 2010, when a young Tunisian fruit seller set himself on fire in response to harassment from police officers. Within months, huge protests had spread throughout the Arab world, taking down autocratic governments in four countries, but also sparking horrific civil wars and giving fuel to religious and sectarian extremism in the region.

Now a new report from the United Nations suggests that the turmoil in the years since 2010 has left a heavy economic imprint in the Arab region - in particular, leading to a net loss of $613.8 billion in economic activity, or around 6 percent of GDP from 2011 to 2015.

The lengthy report, published by the United Nations Economic and Social Commission for Western Asia (ESCWA) on Thursday, used estimates of growth made before 2011 to help understand this loss. It is the first report of its kind to be made by a major economic body, and while it only focuses on the economic situation, it provides a rare quantification of the cost of the Arab Spring for the region's inhabitants.

ESCWA noted that it wasn't just the conflict and political turmoil in the region that hurt its economic situation - low oil prices have also led to a sharp decline in export revenues for many Arab economies over the past year. However, conflict is noted as one of the largest drivers of the economic loss. The Syrian war, now in its six year, is estimated to have caused GDP and capital losses of $259 billion since 2011, according to estimates from another U.N. group, the National Agenda for the Future of Syria.

The report does point to some glimmers of hope, noting, for example, that in other regions, conflict and regime change has eventually had a long-term positive impact on countries. However, political transitions in the Arab world have not largely not helped economic growth, the report finds, in part because there have not been reforms that addressed the issues that led to the Arab Spring unrest.
The conflicts have also had huge social implications, including large-scale population displacement and rising unemployment in countries which underwent conflict or those that have received refugees due to conflicts in neighboring countries. The situation is especially difficult for women, who tend to participate in the labor market to a far lesser extent than men in Arab countries.

The report also cites data from Transparency International's Corruption Perception Index, finding that Arab countries are perceived as some of the most corrupt on the planet - and despite the role of corruption in sparking protests in 2010-2011, corruption is actually perceived to have increased in many Arab countries over the past five years.

ESCWA lists a number of policy recommendations to help repair the situation, including the “key” aspect of financing reconstruction through both domestic resources and foreign assistance. Mohamed el Moctar Mohamed el Hacene, ESCWA’s Economic Development director, told Reuters that the oil downturn may force some countries to put in place “economic reforms leading to real diversification.”

However, the country would need more support from the international community if it was to truly recover. “We have seen in Latin America, Eastern Europe and the Balkans the support they got in order to recover after conflict,” Hacene said. “We have not seen so far such support occurring for the Arab region.”

arab-spring

Keywords: Arab Spring, Middle East, Economics, Arab world, Syria, Libya, Yemen, Egypt
The United Nations Economic and Social Commission for Western Asia (ESCWA) has concluded that the 2011 “Arab Spring” uprisings cost the affected countries a total of $614 billion, amounting to 6 percent of their combined Gross Domestic Product.

As Reuters explains, the organization arrived at that figure by totaling the costs of “regime change, continuing conflict, and falling oil prices.” They computed 6 percent GDP loss by comparing the current status of Middle Eastern nations with growth projections made before 2011.

The U.N. agency forthrightly admits that Syria accounts for a large share of the economic damage, having lost at least $259 billion against projections, and also that estimating what oil prices might have been without the Arab Spring unrest is difficult.
On the matter of the oil price crash, ESCWA Economic Development director Mohamed el Moctar Mohamed el Hacene expressed hope that oil nations would “put in place economic reforms leading to real diversification,” having learned their lesson about depending too heavily upon petrodollars. (Saudi Arabia is making a very high-profile effort to do just that.)

Economics is all about cost/benefit analysis, but The Washington Post finds little in ESCWA’s work to suggest the benefits were worth it:

Political transitions in the Arab world have not largely not helped economic growth, the report finds, in part because there have not been reforms that addressed the issues that led to the Arab Spring unrest.

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The WaPo also notes that “corruption is actually perceived to have increased in many Arab countries over the past five years,” which is an especially bitter irony because the Arab Spring began in Tunisia with a dramatic act of protest against corruption and the abuse of power.

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