



Regional Report
Middle East and North Africa

A disastrous decade

by Jan Claudius Völkel

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh - Germany
Phone +49 5241 81-0
www.bertelsmann-stiftung.de

The text and the figures of this work are licensed under the Creative Commons Attribution 4.0 International License (CC BY-SA 4.0). To view a copy of this license, visit <https://creativecommons.org/licenses/by/4.0/legalcode.de>



The cover image (© PhotoDisc/Gettyimages.com) and logos of this publication are protected by copyright but are not subject to CC licensing and may therefore not be used, distributed or adapted without the written consent of the Bertelsmann Stiftung.

DOI 10.11586/2022015

Regional Report

Middle East and North Africa

A disastrous decade

by Jan Claudius Völkel*

Overview of the transformation processes in Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, Turkey, United Arab Emirates and Yemen



This regional report analyzes the results of the Bertelsmann Stiftung's Transformation Index BTI 2022 in the review period from February 1, 2019, to January 31, 2021. Further information can be found at www.bti-project.org.

Please quote as follows: Jan Claudius Völkel, A disastrous decade — BTI Regional Report Middle East and North Africa. Gütersloh: Bertelsmann Stiftung 2022.

* Jan Claudius Völkel is Academic Dean at IES Abroad Freiburg and BTI Regional Coordinator for the Middle East and North Africa.

Introduction

In early July 2021, the well-known Jordanian editorial cartoonist Emad Hajjaj published a drawing in the daily newspaper *al-Arabi al-jadeed* (The New Arab) depicting darkly-clad figures thievlily dismantling the Lebanese flag and carting away everything that is not nailed down.¹ The drawing shows Lebanon's cherished national symbol, a magnificent cedar tree, cut down and sawed to pieces. The two red stripes at the top and bottom of the flag, which are often understood to symbolize the blood of Lebanese martyrs, are being carried away like wooden beams. As a striking image of the country being plundered, Hajjaj's caricature points not just to recent developments in Lebanon. A corrupt political caste split along confessional lines has, in fact, been shamelessly exploiting the country's wealth over the last decade. Driving the country into the ground, this corruption brought an economic collapse in 2019 that has had a catastrophic impact on the population. Adding fuel to an already dire situation, a warehouse in the port of Beirut exploded in August 2020 – as a result of criminal negligence – wreaking havoc in the capital and across the country, which was then followed by the horrifying spread of the COVID-19 pandemic.

In a sense, Hajjaj's caricature accurately captured the fact that the exploitation of people and resources has come to dominate dynamics across nearly all of the Middle East and North Africa (MENA) region. Nepotism, cronyism and corruption are protected, if not encouraged, by many governments in the region. The year 2019 saw mass protests taking place in several countries. Millions of people in Algeria, Bahrain, Egypt, Iran, Iraq, Kuwait, Lebanon, Morocco, Sudan and Tunisia took to the streets in protest of the clientelist and repressive systems they are subject to. It was not until the outbreak of the COVID-19 pandemic in early 2020 that most demonstrations were stopped as physical distancing requirements became a priority. However, for many regimes, the pandemic provided a welcome pretense for the implementation of harsh measures designed to keep people off the streets. Nonetheless, in 2020, demonstrations continued in Algeria, Bahrain, Jordan, Libya, Sudan and Tunisia, for example. On the other hand, the repressive measures taken in countries such as Qatar, Saudi Arabia, Syria, Turkey, the United Arab Emirates (UAE) and Yemen have made it nearly impossible to hold demonstrations in these countries.

In all three analytic dimensions of the BTI 2022, the MENA region registers significantly worse scores than it did in the BTI 2012, which reflected the situation at the outbreak of the Arab Spring in early 2011 in which millions of people mobilized to protest decades of mismanagement and oppression. During the period under review, the extraordinary events in Sudan following the end of President Omar al-Bashir's regime are the only developments to have lifted, somewhat, the regional average for the political transformation dimension of the Status Index (+0.05) and the Governance Index (+0.22). Apart from this, hopes of advancing democracy, expanding economic participation and furthering social justice remain mostly unfulfilled. Economic transformation in particular continues to languish across the region, showing a continued negative trend (-0.20). The COVID-19 pandemic struck Iran particularly hard in early 2020 and went on to claim victims across the MENA region. Many civilians were left defenseless against the virus due to the mismanagement of their leadership and poor governance.

This also holds true for Tunisia, which is the only democracy to have emerged from the Arab Spring with stagnating political transformation and governance scores since the mid-2010s and which has registered a sharp decline in economic transformation over the same period. The deep disappointment felt in Tunisia over the country's increasingly sclerotic political system accounts in large part for the enthusiasm expressed by many for President Kais Saied's move on July 25, 2021 to dismiss the government and suspend parliament, which has allowed him to rule by decree, in the midst of a long-smoldering

¹ The cartoon, titled "Pulling Lebanon Apart" was first printed in the newspaper [al-Arabi al-jadeed](#) on July 1, 2021 and was also featured by the French daily *Le Monde* five days later.

conflict with the Islamist Ennahda party. This kind of “culture war” between ostensibly secular and various forms of Islamist forces was a key political factor in many countries in the region during the period under review.

This is particularly true of Algeria which, more or less at the same time as the 2019 uprisings in Sudan, brought about a profound change in government with the ousting of its aged president, Abdelaziz Bouteflika. But whereas Sudan saw measurable improvements in the wake of its coup d'état, Algeria's BTI scores have remained virtually unchanged as the country's infamous “deep state” (Le Pouvoir) structures remain too deeply rooted. At the same time, Sudan presents a paradox. Categorized as a “failing state” in the BTI even though it recorded the largest gains of all 137 BTI countries in the political transformation dimension and in the Governance Index, Sudan is nonetheless categorized by the BTI as a “failing state” because the transitional government is no longer able to provide basic administrative services.

There are now four failing states in the region: Libya, Sudan, Syria and Yemen – none of which were classified as such by the BTI 2012 survey. The growing number of failing states in MENA is another indication of the deteriorating situation observed over the past decade in the region.

Political transformation

Although Sudan now finds itself among those countries featuring an insufficient level of stateness (e.g., Libya, Syria and Yemen), it faces better prospects simply because, unlike these states, it is currently not mired in full-fledged civil war. Sudan must nonetheless grapple with the problems inherent to the situation of many transformation countries. These include dealing with a lack of competence and capacity among the country's new decision-makers, addressing major social conflicts, and creating the means to institutionalize political decision-making processes.

Tab. 1: State of political transformation

consolidating democracies Score 10 to 8	defective democracies Score < 8 to 6	highly defective democracies Score < 6	moderate autocracies Score > 4	hard-line autocracies Score < 4
	Tunisia	Lebanon	Turkey	Qatar
			Algeria	Morocco
			Kuwait	Egypt
			Jordan	Bahrain
			Iraq ▲	Sudan ●
			United Arab Emirates ▲	Oman
				Iran
				Saudi Arabia
				Libya ●
				Syria ●
				Yemen ●

The table follows the BTI 2022 index scores. Countries are ranked according to their system categorization and respective score in political transformation status assessment. Arrows mark a change of category compared with the BTI 2020, dots mark failing states.

The overthrow of Omar al-Bashir's longstanding “Inqaz” (Salvation) regime in April 2019 led to an across-the-board uptick in scores for the core criteria of political transformation in Sudan. The only indicator to suffer a score loss was that capturing the state of public administration (“basic administration”), and this was due to the upheaval gripping the country. The country's public services, which were already rather elemental before the crisis, continue to decline in many regions, even in Khartoum, the capital. In many places across the country, so-called neighborhood committees have begun providing quasi-

governmental services, such as the urgently needed distribution of basic foodstuffs and fuel. The COVID-19 pandemic has overstretched public medical care, with privately run hospitals being the only facilities able to deliver adequate treatment to infected persons – at out-of-reach prices for most Sudanese. These problems, combined with growing difficulties with the country's energy supply, have resulted in Sudan being classified as a “failing state.”

At the same time, there have been noteworthy advances achieved, which have largely been driven by young revolutionaries. Following intense negotiations, a transitional government was established in September 2019 to set the course for a “new” Sudan to be established within three years. One important gain has been the expansion of assembly rights. The end of 30 years of repression under the Inqaz regime has facilitated the emergence of new civil society organizations and more diverse media outlets. The peace accord signed in October 2020 by the transitional government and three influential rebel groups has fueled hopes of an end to the conflict in Darfur and other provinces. Finally, as part of the government's efforts to improve its foreign policy and abandon its predecessor's isolationist approach, Sudan's new leaders have normalized relations with both the United States and with Israel.

Nevertheless, the challenges remain colossal. Sudan still faces a long and rocky road ahead, as it must deal with the former regime's family members and other supporters, the struggle between the military and civilians over what kind of state should be established and how to distribute power, ongoing police violence, growing economic hardship, and the sharp increase in 2020 of refugees arriving from neighboring Ethiopia following the outbreak of the Tigray War. Two key armed rebel factions within the Sudan Liberation Movement/Army (SLM/A) and the Sudan People's Liberation Army (SPLA/North) have boycotted the October 2020 peace agreement. In addition, parallel power structures continue to exist. The country's official institutions of governance include the transitional government known as the Sovereignty Council and the Supreme Committee for Economic Emergencies, which was established to deal with the country's crushing economic crisis. At the same time, the paramilitary units of the Rapid Support Forces, under the leadership of General Mohamed Hamadan Dagalo have maintained de facto control over the reins of power and, so far, have eluded being subject to civilian control.

At the end of the assessment period (January 2021), Sudan is still far from serving as an example of sustainable democratization. Consequently, Sudan's position in the BTI's overall ranking for political transformation remains at 123, still behind countries such as Afghanistan, the Central African Republic and the Democratic Republic of Congo. The greatest challenges currently facing the country involve establishing functioning state institutions, which requires the presence of a democratically elected and representative parliament with oversight powers, and successfully disarming paramilitary forces and/or reintegrating them into the state's official armed forces.

Iraq and the UAE have moved up into the category of “moderate autocracies,” though they've made only minimal progress. Iraq's new prime minister, Mustafa al-Kadhimi, who came to power in the wake of the nationwide mass protests in October 2019, has brought about some positive changes, particularly in terms of battling the abuse of office. Since taking office, he has sought to stabilize a country shaken by the reign of terror under the Islamic State (IS) group. Though still weak and overburdened by the task of processing the large number of IS crimes, Iraq's judiciary can exercise greater independence under the al-Kadhimi regime, which includes being able to act with less interference from the country's powerful militias. In the UAE, strict moral standards have been relaxed to the extent that issues related to family law are no longer judged exclusively by Shari'ah courts. In addition, so-called honor killings have become punishable as crimes for the first time.

None of the other countries in the region has undergone noteworthy change, although, in some states, the COVID-19 pandemic has led to the introduction of strict measures and restrictions being placed on fundamental basic rights. Since most countries classified as “hard-line autocracies” generally receive low scores, the additional restrictions placed on fundamental rights as a result of the pandemic were

reflected only somewhat in the corresponding indicator scores. In terms of assembly rights, for example, the only country in the region to receive a lower rating was Jordan. This decline came as a result of the fact that the government of then-Prime Minister Omar Razzaz imposed a state of emergency on March 17, 2020 that it later used in order to break up the Jordanian Teachers' Syndicate, which had voiced criticism of the government. Scores for Lebanon and Iraq on this indicator also fell, but for reasons unrelated to the pandemic. In both countries, the sometimes violent repression of the ongoing demonstrations against poor living conditions had already been underway.

In Algeria, pandemic-related measures had a negative impact on freedom of the press and freedom of expression. This has been particularly discouraging given the improvements anticipated in the wake of Bouteflika's ouster. Instead of an expanded freedom of expression, numerous political leaders have been arrested during protests or for their social media posts – the BTI country report speaks of a crack-down on opposition figures. Restrictions on the freedom of expression were also reported in Libya and Bahrain. In Libya, rival militias increasingly targeted journalists, and both governments of the de facto divided country cracked down on political opposition and civil society actors. In Bahrain, one of the world's most hard-line autocracies (rank 122 in terms of the state of political transformation), the regime has further expanded its already extensive online surveillance capacities – under the guise of fighting the pandemic – arresting many who have voiced their criticism of the regime and human rights activists.

Basic civil rights were curbed further in Kuwait and Morocco. In Kuwait, the COVID-19 pandemic was used to introduce a surveillance app able to track individuals' movement profiles and, in some cases, people were required to wear electronic ankle bracelets that restrict their personal freedom. In Morocco, pandemic-related exit restrictions were strictly monitored and thousands were arrested for non-compliance. Critics of the government's harsh measures were also taken into custody.

The state of political transformation has further deteriorated in Turkey, which has been classified as a moderate autocracy since the BTI 2020. Shortly before the 100th anniversary of the republic founded in 1923, which presented itself at the time as modern and reform-minded compared to the disintegrating Ottoman Empire, the country finds itself in a serious backslide, both politically and economically. Although President Recep Tayyip Erdoğan appears to have consolidated his grip on power using repressive measures aimed at opposition figures, he is beginning to face new competition in the political arena. The departure of former high-ranking representatives of his Justice and Development Party (AKP) and the founding of two new parties, the DEVA Party under Ali Babacan and the Future Party under former Foreign Minister Ahmet Davutoğlu are just two examples of former party members breaking with him. These parties could appeal to those voters that may reject the Kemalist CHP as Turkey's largest opposition party, but who are nonetheless critical of Erdoğan's undemocratic approach to governing. The government's manipulative interference with the 2019 local elections, its increasingly restrictive treatment of civil society organizations and especially the country's worsening economic problems could fuel further popular discontent that may lead to demonstrations similar to the Gezi Park protests seen in 2013. Some observers are already predicting that early elections will be called in spring 2022. If this were to happen, however, it can be assumed that they would be neither free nor fair.

In Egypt, which is the region's most populous country with more than 100 million people, elections have become little more than a staged show. President Abdel Fattah al-Sisi has deprived the last remaining opposition politicians of all opportunities to present themselves as viable alternatives. The regime has also further curbed the judiciary's independence, which means that the abuse of power can continue without restrictions.

In Iran, the pandemic has dramatically exposed the regime's political mismanagement – a good forty years after the Islamic Revolution. The mix of ignorance based on religious doctrine and disregard for scientific knowledge has made Iran one of the countries hardest hit by COVID-19. But even if we were to factor out the severe impact of the coronavirus pandemic, the last years of President Hassan

Rouhani's government – once heralded with high hopes – have proved disappointing as the de facto rulers in Ayatollah Ali Khamenei's orbit continue to heavily influence events and prevent reforms from being introduced. Former U.S. President Donald Trump's policy of placing maximum pressure on the Islamic Republic has further hardened the fronts. There is, however, hope that the Biden administration will usher in more constructive negotiations on Iran's nuclear program and the Joint Comprehensive Plan of Action (JCPOA). At the same time, however, the rigged election of Ebrahim Raisi, a radical who had heretofore headed the judiciary, as Iran's new president in the summer of 2021, has shown that the regime has little interest in easing tensions. It thus remains unlikely that U.S. economic sanctions, which have already pushed the already badly battered country further into a socioeconomic crisis, will be lifted or relaxed anytime soon.

Economic transformation

Iran isn't the only country plagued by gloomy economic prospects. The entire region hit a new low with an average score of 4.83 on the BTI scale of economic transformation, which is 0.20 points below that of the 2020 edition of the BTI. Since the BTI 2012 – that is, the situation at the beginning of the Arab Spring – this decline amounts to an entire point on the BTI's 10-point scale and thereby represents the strongest downward trend recorded in all BTI regions. With the UAE's fall to a lower economic transformation category, there is no longer a single MENA country among the best performers here (see Table 2). In fact, eight of the region's 19 countries fall into one of the two worst categories, that is, they have achieved only "very limited" or "rudimentary" levels of economic development.

Tab. 2: State of economic transformation

highly advanced	advanced	limited	very limited	rudimentary
Score 10 to 8	Score < 8 to 7	Score < 7 to 5	Score < 5 to 3	Score < 3
	United Arab Emirates ▼	Kuwait ▼	Egypt	Iran
	Qatar	Saudi Arabia	Lebanon ▼	Libya
		Turkey	Iraq	Sudan
		Morocco		Yemen
		Tunisia		Syria
		Bahrain		
		Jordan		
		Oman		
		Algeria		

The table follows the BTI 2022 index scores. Countries are ranked according to their respective score in economic transformation status assessment. Arrows mark a change of category compared with the BTI 2020.

This decline is even becoming apparent in the highest-scoring countries, that is, the resource-reliant economies of the Persian Gulf monarchies. Both the UAE (-0.07) and Kuwait (-0.25) have been downgraded by one category. Saudi Arabia saw minimal improvement, thanks primarily to the perceived gains in its environmental policies. After decades of boom in the oil sector, the shift to renewable energy sources is gaining traction in the Wahhabi kingdom as well, even though per capita resource consumption remains very high. The country will not be able to avoid re-evaluating this state of affairs for much longer – and not only for ecological reasons, as its overdependence on fluctuating oil prices could lead to even greater problems down the road. The negative growth rates observed since 2017 have been a clear warning signal, and the coronavirus crisis has only exacerbated these trends.

Qatar and the UAE have also demonstrated an increased interest in alternative energy sources. However, whereas the UAE has drawn up concrete measures aimed at reducing the country's CO2 emissions and has relied on international advice in doing so, Qatar's strategy remains unclear. This is in part

a consequence of the country's years of isolation from other member states of the Gulf Cooperation Council, particularly Saudi Arabia and the UAE. Qatar's desire for greater self-sufficiency, also in food production, has once again driven up its water, energy and pesticide use. Qatar therefore ranks low on global rankings that track efforts to reduce CO₂ emissions. Kuwait pursues a similar environmental policy strategy. While there is some awareness of the urgency of many environmental issues, actual measures taken are rare and policies remain rather vague. Like Saudi Arabia, Kuwait has been hit by the low price of oil and the negative economic repercussions of the COVID-19 pandemic. Bahrain and Oman have also suffered similar negative impacts.

For the region as a whole, the economic impact of COVID-19 was already evident after the first year of the pandemic. Eleven of the region's 19 countries have been downgraded in terms of their economic performance, and Iraq and Lebanon's scores for this criterion dropped a full two points. There were also massive declines in the scores recorded for the monetary stability (seven countries) and fiscal stability indicators (six countries). Equally alarming is the fact that only three countries (Algeria, Morocco and Oman) were able to improve in terms of their social safety nets, while four countries (Bahrain, Iraq, Syria and the UAE) actually recorded lower scores. This means that even as the pandemic weighs heavily on the region's economies and poverty is rapidly rising in some places, most governments have introduced rather insufficient measures to cushion the impact of the additional burden placed on their citizens. Those in informal or precarious employment, which includes many foreign workers from poorer countries of origin, as well as refugees, are most affected. Given that social benefits have been essential to the bargain struck between the citizens and governments of the MENA states – a bargain that entails an acceptance of autocratic governance in return for the state's safeguarding of the basic necessities of life – we see new potential for conflict here as the gap between expectations and reality grows. This could result in tremendous unrest in the coming years. Indeed, many countries in the region had already begun to cut back on subsidies for gasoline and staple foods before the pandemic hit, which means that private spending had already been affected by price increases before the spring of 2020.

Lower levels of private spending correspond with the long-term downward trend in regional economic transformation, which was also already on the decline well before the outbreak of the pandemic. Over the last ten years, most of the region's countries have recorded declining scores on this dimension, especially the failing states of Libya (-3.40), Syria (-3.32), and Yemen (-2.68). Only Algeria, Morocco, Saudi Arabia and the UAE have improved over the same period. In most countries, and the region as a whole, the losses recorded during the period under review have been, for the most part, rather minimal. Iraq and Lebanon are the only countries to have recorded significant losses since 2020. But even in these two countries, pandemic-related constraints were not the only factor weighing on the downward trend. In the case of Iraq, low oil prices meant reduced revenues from oil sales, and in the case of Lebanon, mismanagement is to blame for the country's pre-pandemic economic collapse in 2019.

Lebanon is the biggest loser in the BTI's 2022 economic ranking as a result of this collapse; its downturn is unparalleled within the sampling. Relative to the BTI 2020, the country's economic transformation score fell by 1.43 points. Apart from the civil war countries Syria (-2.29 with the BTI 2014) and Libya (-2.22 with the BTI 2016), it registers the worst economic transformation performance ever measured between two BTIs. The main reason for the initially gradual and then rapid decline in political and economic performance is Lebanon's system of confessionalism in which all key positions in government are allocated strictly according to religious affiliation. This means that merit – as well as oversight and evaluation – take a back seat when it comes to filling new positions. Evidence of this can be seen in the fact that the explosion at the port of Beirut has still not been properly investigated. Lebanon also received below-average scores for the "prosecution of office abuse" and "anti-corruption policy" indicators in recent years. However, the capacity to maintain corrupt power structures began to crumble in the wake of the late-summer 2019 run on the country's banks, as Lebanon's dire economic situation could no longer be whitewashed. Lebanon's problems led to declines in nine of the BTI's 14 indicators assessing economic transformation. Those indicators showing the largest drops include "monetary stability" (9 > 4),

“banking system” (9 > 5), “competition policy” (5 > 2) and “output strength” (4 > 2). The dramatic loss of foreign currency reserves has led to a sharp increase in prices, with inflation rates at times exceeding 100%. Whereas the country’s poor thus fall even deeper into poverty, growing numbers of wealthy Lebanese are preparing to emigrate permanently. The Armageddon-like explosion at the port of Beirut on August 4, 2020 became emblematic of the implosion of the Lebanese state. The COVID-19 pandemic, which the country initially seemed to contain rather successfully, eventually unleashed its full power and further crippled the country with rising infection and mortality rates. The BTI country report speaks of “Lebanon’s biggest crisis” since the end of the civil war in 1990.

Without detracting from the country’s drastic situation, Lebanon also stands in some ways as a model for the entire MENA region. Given the ongoing economic difficulties, efforts across the region to introduce regulatory frameworks have taken a back seat over the past decade. While the BTI 2012 recorded an average score of 5.47 among all 19 MENA countries for the “market organization” indicator, this average has fallen to 4.84 for the BTI 2022. Similar declines have been registered in the “banking system” (6.32 > 5.63), “property rights” (6.21 > 5.63) and “private enterprise” (6.16 > 5.58) indicators. The most severe decline, however, was observed in “output strength,” that is, the overall economic situation: from 6.95 in the BTI 2012 to 4.68 in the BTI 2022, the average score here fell by an alarming 2.27 points.

With a score of 5.96 for economic transformation in this year’s BTI, Tunisia continues to lag behind the levels achieved before the revolution under then-President Zine El Abidine Ben Ali (2008: 6.79; 2012: 6.11). This is due in particular to the lower scores recorded for market organization and, in part, declines in output strength. President Ben Ali’s “developmental dictatorship” was seen by many as an economic success. The country was popular among vacationers and foreign investors alike, with the latter attracted by the country’s relatively high level of education and low wages. However, annual economic growth rates of 5% or higher were unrealistic after the revolution, reaching only 1.0% in 2019. Many Tunisians have seen their standard of living deteriorate and often blame the government or the entire political class for this.

The economic situation in Sudan and Iran has also worsened dramatically over the last ten years. In Sudan, the government proved unable to deal with the COVID-19 pandemic and in Iran, the government has simply been unwilling to do anything about it. Poverty, already widespread in both countries, is increasing once again. Inflation rates are rising, as is public debt, and educational opportunities are deteriorating. On a positive note for Sudan, however, the new government under Prime Minister Abdalla Hamdok has introduced some economic policy measures that have been buoyed by the country’s removal for the U.S. government’s list of states that support terrorism. Iran remains on this list (along with Cuba, North Korea and Syria). Neighboring Iraq, after having recorded some gains in the BTI 2020, registered massive declines (-0.64 points) for this year’s BTI. Again, the combined effects of low oil prices, structural problems and the COVID-19 pandemic account for this drop.

Positive trends were observed in Morocco, which improved by 0.25 points in terms of the state of economic transformation. Here, the higher standards in banking, including a strengthened independence of the central bank, stand out: Since 2019, the Maghreb kingdom has met the Basel III criteria. Further progress has been made in the area of renewable energy. Morocco is one of the world’s leading nations in generating wind and solar power supplies.

Governance

Sudan and Lebanon also played a key role in determining developments in the Governance Index. Sudan moved up a category (+1.57 points), into the group of countries featuring “weak” governance and now ranks 118th overall, together with Lebanon (-0.94). The UAE (+1.03) and Qatar (+0.72) once again made it into the category of countries with “good” governance (see Table 3). Overall, the MENA region

improved by 0.22 points on this scale, but remains by far the worst-governed BTI region. Fittingly, only Qatar and the UAE register scores above the BTI average of 5.50 – even Tunisia achieves only 5.33 points. In other words, 17 of the MENA region’s 19 countries record scores found in the lower half of the BTI’s 1-10 scale.

Tab. 3: Quality of governance

very good	good	moderate	weak	failed
Score 10 to 7	Score < 7 to 5.6	Score < 5.6 to 4.3	Score < 4.3 to 3	Score < 3
	United Arab Emirates ▲	Tunisia	Saudi Arabia	Libya
	Qatar ▲	Iraq	Turkey	Iran
		Kuwait	Oman	Yemen
		Jordan	Egypt	Syria
		Morocco	Bahrain	
		Algeria	Lebanon	
			Sudan ▲	

The table follows the BTI 2022 index scores. Countries are ranked according to their respective score in the Governance Index. Arrows mark a change of category compared with the BTI 2020.

The collapse of the Lebanese state is reflected in the dramatic drop in scores registered by the BTI 2022. Not a single indicator improved while declines were recorded for a whopping nine indicators. Frequent changes made at the very top of government following the resignations of prime ministers Saad Hariri (October 2019) and Hassan Diab (August 2020), as well as Hariri’s eventual – though ultimately temporary – reinstatement (October 2020), were an expression of the elites’ general lack of will to bring about any structural changes. The rigid corset of confessionalism, which determines and organizes the elite’s access to both power and power-sharing, has survived in the face of the growing mass protests that erupted in 2019 against the country’s entrenched and corrupt structures. But political actors with confessional ties have not been the only problem here, as even the country’s genuine technocrats, such as those at the Banque du Liban, Lebanon’s central bank, have engaged in blatant misconduct and obviously opposed reforms. When discussing Lebanon’s problems, many in the country have been quick to point to the heavy burden associated with the influx of Syrian and Palestinian refugees. However, the past two years have made it abundantly clear that the collective and structural failure of the political elite is the much bigger problem. The considerable influence wielded by the Iran-backed Hezbollah must also be seen in this light. After all, Hezbollah was able to gain importance as a militia, a party and a social organization only because the Lebanese state authorities, in particular the Lebanese army and police force, did little to counter it. As a result, Hezbollah was able to become a “state within a state” with far-reaching international connections, which is extremely difficult to control in the current context.

Iran has not achieved any significant gains in the Governance Index, which is not good news. Once hailed as a reformer, President Hassan Rouhani, who held office from August 2013 to August 2021, failed to deliver on key promises he had made. He lacked the forcefulness needed to get reforms through the Guardian Council, which has taken a hard line in resisting domestic change. The Islamic Revolutionary Guards (IRGC) play a key role in supporting the Guardian Council’s stance. The United States declared the IRGC a terrorist organization in March 2019, and the IRGC shot down a Ukrainian passenger plane shortly after it took off from Tehran airport on January 8, 2020. Everyone on board, 176 people, died. The IRGC shot down the plane in a context of heightened alert for the Iranian air defenses, just days after its powerful commander, Qasem Soleimani, was killed by a U.S. drone attack in Baghdad. Although the Iranian authorities were relatively quick to admit that they had shot down the plane, the investigation that followed was criticized by international observers as inadequate and lacking credibility.

Turkey, the former model of reform in the region, continued to lose ground in terms of governance during this review period, a trajectory it has been on since 2014. With a score of 3.98, it has slipped further on the Governance Index, now ranking even below Saudi Arabia (3.99). President Recep Tayyip Erdoğan has not only further polarized domestic politics through his growing grabs for power, he has taken an increasingly obstinate and unpredictable approach to foreign policy. This is evident in Turkey's military operations in northern Syria, which are arguably driven by the desire to prevent Kurdish forces in the area from gaining strength, and in its interference in 2020 in the military conflict between Armenia and Azerbaijan. And then there's Turkey's aggressive posturing toward Cyprus with regard to newly discovered gas deposits in the eastern Mediterranean. This has been further fueled by efforts to repopulate Varosha, a village once inhabited by Greek Cypriots, that became a ghost town in a restricted military area after Turkish occupation in 1974. Reviving Varosha would override the decision-making authority of the UN Security Council and would be tantamount to a de facto incorporation of the village into northern Cypriot territory. The Erdoğan government is consistent in its emphatic rejection of international criticism, including that issued by the European Parliament. However, Turkey-NATO relations have suffered other setbacks, such as the uncoordinated purchase of Russian S-400 surface-to-air missiles for the Turkish armed forces.

Elsewhere in the region, the latest BTI edition has recorded significant improvements in the area of international cooperation. Key developments include the establishment of diplomatic relations between some Arab states and Israel beginning in August 2020, which came as a result of the Abraham Accords, as well as the end of the Qatar crisis in January 2021. Sudan, since the demise of the Inqaz regime, has shown improvement, particularly with regard to the "credibility" and "use of international support" indicators (both 1 > 5). In addition, the transitional government has achieved some notable successes in defusing the various internal conflicts plaguing the country. In fact, Sudan is the only BTI country to register a significant improvement on the "consensus building" criterion (+2.4). Libya is another positive example here. After the devastating warfare of recent years and the country's de facto division into east and west, a ceasefire agreement in October 2020 paved the way for a new political rapprochement process in the form of the Libyan Political Dialogue Forum. Despite a rough start and the disputed legitimacy of the representatives involved in the forum, initial gains have been achieved. These include the new roadmap targeting national elections and the fact that a handful (11) of local-level elections have been held in municipalities across the country, in both the east and west.

In neighboring Tunisia, which is the only country to emerge from the Arab Spring as a democracy, stagnation or even regression has followed on the heels of the initial period of optimism. On the tenth anniversary of the Tunisian revolution, the slogan "The people want to bring down the regime" was voiced again by protesters at mass demonstrations. Although modern-day Tunisia – in contrast to the dictatorship under Ben Ali – guarantees political freedoms and fundamental rights, Tunisians are increasingly frustrated by their economic misery and the government's apparent inability to effectively solve the country's problems. Founded just two years after the revolution, the politically influential Free Destourian Party (PDL) has established itself in the parliament and attracted public attention by openly glorifying the pre-revolutionary period and undermining the young democracy from within. Tunisia has registered no significant improvements on the Governance Index since the 2016 edition of the BTI, stagnating at 5.33 points. Most Tunisians have lost the enthusiasm they once had for the revolution.

Egypt, the other beacon of hope in the Arab Spring, is marked not by stagnation but by significant backsliding in terms of its governance scores. Having successfully cemented his power, Egyptian President Abdel Fattah al-Sisi now runs the country with an iron fist. Protests that flared up again in late summer 2019 were brutally quashed by the country's security forces. Even health sector workers were arrested after they criticized the poor conditions in hospitals and health centers at the beginning of the COVID-19 pandemic. Egypt's governance score has declined steadily since the 2014 edition of the BTI (4.52), and its current score of 3.77 is well below the scores of 4.32 and 4.23 recorded in the 2010 and 2012 editions. In other words, the regime of long-term ruler Hosni Mubarak received significantly better

governance scores than does President al-Sisi's current administration. His uncompromising efforts to repress dissent are preventing mass protests from taking place. In both Tunisia and Egypt, the lack of governance built on innovation and inclusion has proved to be particularly fatal during the COVID-19 pandemic, as neither country has been able to effectively curtail infections.

A look at developments over the last 10 years also provides interesting insights for the Governance Index. The quality of governance in the MENA region has steadily eroded since the BTI 2012, when it recorded only 4.15 points, falling to 3.91 in this year's edition. Shortcomings in resource efficiency and a lack of consensus-building account for much of this decline. Political leaders have proved either unwilling or unable to overcome social divisions and act as mediators. Furthermore, they showed little appetite for fighting corruption effectively and using wisely the resources at their disposal. Given the mounting difficulties, the lack of good governance is an additional and heavy burden.

Outlook

Sudan is the undisputed, albeit tragic, "winner" of the BTI's 2022 edition. The demise of the regime under Omar al-Bashir, who ruled dictatorially from 1989 to 2019, has cleared the way for the country to achieve some noteworthy success in transformation. At the same time, basic state services are no longer provided, and the country is now considered a "failing state."

Although Lebanon is still far from total collapse, recent developments in the country are nonetheless cause for serious concern. Discontent in the country has risen tremendously. But the current crisis can also create an opportunity. This would involve more than a good-faith response to the growing demands for an end to the country's rigid confessional power-sharing arrangement, which guarantees individual ethnic-religious groups a piece of the pie. In other words, qualifications – not quotas – should determine who runs for and who is appointed to public office.

The combination of expertise and transparency, particularly in times of a pandemic, is essential to a strategy able to mitigate the health and socioeconomic challenges that COVID-19 has brought to the MENA region. However, most of the region's countries were neither sufficiently prepared nor equipped to deliver on these points. Efforts to contain the pandemic have been conducted primarily with the support of police surveillance. Furthermore, China and (to a lesser extent) Russia have also significantly increased their influence in the MENA region thanks to politically instrumentalized supplies of protective equipment and vaccines. The power interests of Moscow, Beijing and Washington will continue to play an important role in the region's future development. This is true particularly in the context of recent developments regarding the diplomatic relations established between Israel and some Arab states as well as the question of the future form of government for the Palestinian territories.

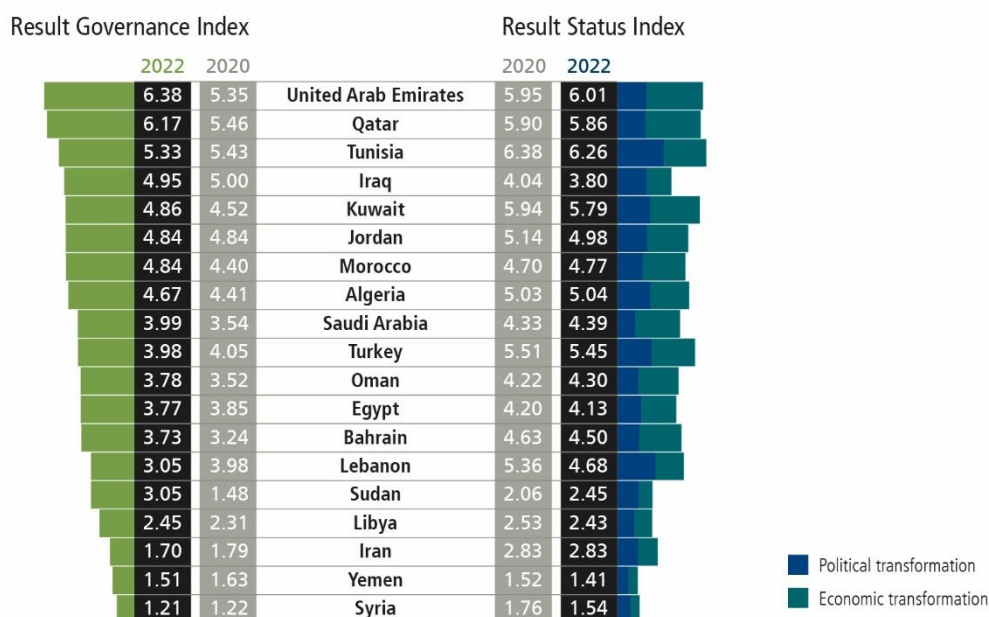
Apart from Tunisia and the recent signs of hope coming from Sudan, the first decade after the Arab Spring has not brought the improvements many had hoped for. This is evident in the 10-year trends observed in all three dimensions of the BTI. Neither political and economic conditions nor governance has changed for the better in the long term. Unfortunately, the preliminary outcome of the Arab Spring is, at this point, rather negative. Conflict, poverty and repression have grown in most of the region's countries.

The COVID-19 pandemic is thus hammering a region where living conditions have been worsening. This is true particularly of the region's poorer states such as Egypt and Iran, and its conflict-ridden countries such as Iraq, Libya, Syria and Yemen. Images of hospitals without enough oxygen supplies for people with COVID-19 who are fighting for their lives have become deeply engraved in the collective memory of countries across the region, even in relatively functional countries such as Jordan and Tunisia. These images underscore the abysmal performance of most of the region's regimes, who have

opted to arrest their most important resources in the pandemic – doctors, nurses, health experts and other health professionals – for having voiced criticism rather than encouraging these individuals to strive for improvement. Although intraregional aid shipments of vaccines and personal protective equipment have been undertaken, individual power interest considerations have come into play. Whereas Saudi Arabia and the UAE are trying to expand their influence by providing Tunisia with support and thus undermining the political survival of the Islamist Ennahda party, Qatar and Turkey are also exerting their influence in the same manner, thereby contributing to Ennahda’s overall legitimacy.

However, even the region’s resource-rich states have had to cut back on their generous social benefits in a context of declining revenues. By mid-2021, only a handful of MENA states had introduced socio-economic support measures designed to cushion the impact of the pandemic, and most of the populations in the region’s other states have more or less been left to fend for themselves. The bargain struck between autocratic rulers and their populations has once again begun to teeter. When the state is no longer able to meet people’s basic needs, acceptance levels for autocratic regimes go down. We can therefore expect renewed protests which will, however, likely be accompanied by unabated state repression and uncontrolled police violence.

The slogans heard during the 2011 protests calling for “bread, freedom and social justice” have lost none of their relevance. While living conditions in the MENA region have become more difficult, the repressive grip of the region’s autocrats has grown tighter. COVID-19 as well as climate change and shifts in geopolitical power continue to exacerbate the difficulties associated with existing problems. None of this bodes well for the region’s future.



About the BTI

Governance in International Comparison

Since 2004, the Bertelsmann Stiftung's Transformation Index (BTI) has regularly analyzed and evaluated the quality of democracy, market economy and governance in currently 137 developing and transition countries. The assessment is based on over 5,000 pages of detailed country reports produced in cooperation with over 280 experts from leading universities and think tanks in more than 120 countries.

The current assessment period is from February 1, 2019 to January 31, 2021.

The BTI is the only international comparative index that measures the quality of governance with self-assessed data and offers a comprehensive analysis of political management in transformation processes.

Transformation Index BTI 2022

ISBN

978-3-86793-938-6

EDITION

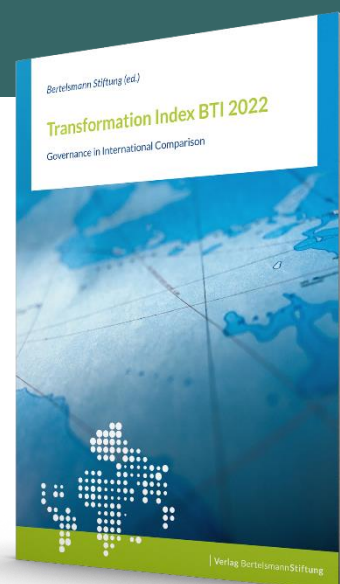
First edition

VOLUME/FORMAT

80 pages, soft cover

PRICE **18,00 €**

ADDITIONAL SHIPPING COSTS
SHIPMENT WITHIN 3-5 DAYS



Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Phone +49 5241 81-0

Sabine Donner
Senior Expert
Phone +495241 8181501
sabine.donner@bertelsmann-stiftung.de

Claudia Härterich
Project Manager
Phone +495241 8181263
claudia.haerterich@bertelsmann-stiftung.de

Hauke Hartmann
Senior Expert
Phone +495241 8181389
hauke.hartmann@bertelsmann-stiftung.de

www.bti-project.org