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Strengthening Inclusive Governance and Sustaining Peace

Background Paper for UNDP Regional Conference
"Development Challenges and Priorities in a Changing Arab Region"

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The nexus between poor governance and violent conflict is relevant to the discourse on sustainable development in the Arab States region, as both feed off each other, and ultimately strip many countries of their hard-earned development gains according to the Human Development Index (HDI)[1]. The persistence of this vicious circle does not only threaten peace and security in the region but also in the neighbourhood and beyond. This paper provides an overview of the context that governs this dynamic, followed by a brief analysis of related issues, and concludes with the identification of possible entry points for UNDP's regional programming in 2018-2021.

Background

Longstanding developmental challenges in the Arab States region have been exacerbated in recent years by escalating conflict, violence, polarization, and numerous other factors, including slumping oil prices, stagnating global trade, and declining natural resources.[2] Many of those challenges, however, find their roots in governance deficits. Indeed, research demonstrates that poor governance has weakened the legitimacy of state institutions and equality before the law, stifled economic competitiveness, and diverted away resources from services and projects that would have otherwise improved the lives of millions. **Other than being a root-cause behind the current situation, governance deficits also pose a standing threat to the region's future**, undermining its resilience to serious political, economic, social, demographic, and environmental pressures that are unprecedented in its recent history.

While it is true that the region had a fewer number of violent conflicts before 2011,[3] vulnerabilities were increasing, including socio-economic inequalities, growing unemployment especially for women and the youth,[4] unchecked corruption, human rights violations, and political exclusion. This fragile situation reached a breaking point six years ago with the massive social protests that erupted in several Arab countries. Although it may be relatively hasty to pass a final judgement on outcomes, these **brought more disappointments than successes**, at least thus far. It ushered in an historic democratic transformation in Tunisia, and triggered reforms in other countries, such as Egypt and Morocco; but it also morphed into costly protracted conflicts in Libya, Syria and Yemen, adding to ongoing conflicts in Iraq and Somalia, thus making the region the source of 57.5 percent of refugees[5] and the host of 48.8 percent of internally displaced people[6] worldwide; and the location of the two countries with the highest number of war-related fatalities worldwide (Syria and Iraq).

The inability to bring about deep and sustainable change across the region is compounded with the daunting toll that violence has taken on human lives, economies, and social cohesion. Together, they have **caused many to question the concepts of democracy and pluralism**, and contrast them to safety, security, and the fight against terrorism. They also provided in some cases rhetoric for strengthening authoritarian structures and reactionary forces, much to the detriment of the lessons learned from the powerful messages echoed across the region in 2011.

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[1] Most losses are in countries in conflict, such as Syria and Libya, where the HDI has regressed in 2017 below pre-conflict values, sinking to levels last seen 15 years ago.Overall, the region suffers an average loss of 24.9 percent when the HDI is adjusted for inequalities.

[2] Arab Human Development Report 2016: Youth and the Prospects for Human Development in a Changing Reality. *United Nations Development Programme (UNDP),* [Online]. Available at http://www.arab-hdr.org/.

[3] 2014. Beyond governance and conflict: measuring the impact of the neighborhood effect in the Arab region. *Economic and Social Commission for Western Asia (ESCWA).* [Online]. Available at https://www.unescwa.org/sites/www.unescwa.org/files/page_attachments/e-escwa-ecri-2014-wp-1_en.pdf.

[4] Unempolyment stands at 10.7%, compared to a 5.7% world average, disaggregatd between women (21.9%) and the youth (31.1%). For more, please see 2016. ILO modeled estimates. *International Labour Organization,* [Online]. Available at http://www.ilo.org. [Accessed November 2016

[5] 2016. Calculation based on UNHCR statistical online database 2016. *The UN Refugee Agency*, [Online]. Available at http://www.unhcr.org/.

[6] 2017. Calculations based on UNOCHA Humanitarian Reports. *United Nations Office for the Coordination of Humanitarian Affairs*. [Online]. Available at http://www.unocha.org/.

In 2017, the overall picture is bleak, but not in its entirety. Some progress is indeed being made on various fronts, but poor governance and violent conflict persist, undercutting the effort to achieve sustainable development within the framework of the 2030 Global Agenda 2030 as explained in more detail below.

From a governance perspective, the region is making slow advancements in certain areas. For instance, it has more representative **parliaments** today compared to 2010, while other countries have yet to find their way towards more transparent and competitive **elections**. Also, **corruption** is no longer a taboo-issue but rather a top priority articulated by heads of governments and increasingly reflected in national strategies and institutional arrangements,[7] although results are still below expectations.

Furthermore, despite relatively major investments in recent decades, judicial and police institutions still lag in terms of their capacity to uphold the **rule of law**, including the swift delivery of justice to all and the effective protection of human rights. In some countries, this situation seems to have worsened in the aftermath of 2011, although some countries appear to be finally embarking on serious structural reforms that are intended to strengthen judicial independence. Similarly, **public administration reform** is still lagging despite ongoing reform efforts since the early 1990s, where technical capacities for public financial management and service delivery may have improved, but with limited transparency and accountability, which ultimately undermine the ability of the government to be effective as a vehicle of inclusive and sustainable development.

In the meantime, while the **space for civic engagement** has taken a parabolic trajectory in recent years, it still generally stands, thanks to social media and more open policies, at a relatively advanced position compared to 2010, where there may have been the appearance of a larger space in some countries, but, in fact, that space was more reserved to the benefit of nepotistic networks that reinforced the status-quo.

From a conflict perspective, the region is currently the world's most conflict-affected region, with 7 countries witnessing protracted **violent conflicts and severe humanitarian crises**,[8] but others stand relatively resilient against the odds, while Palestine is still under Israeli **occupation** and subsequently a centrepiece in rationalizing **violence** across the region. Iraq and Syria are making progress in the fight against the so-called "Daesh", while attempts to broker **peace** between warring factions are underway in other countries, *albeit* with varying paces and prospects.

Furthermore, **violent extremism** is on the rise, affecting even those countries that are not in open conflict, as it fuels the process of **radicalization** that can exploit feelings of victimization and threaten peace; while the refugee crisis continues to stress infrastructure, public services and natural resources, and create social tensions within host communities. Aggravating that is the **complex geo-political situation**, weak regional mechanisms of conflict prevention and resolution, and legitimacy vacuums in the conflict-affected countries.

Poor governance in the Arab States region is certainly not the sole cause of violent conflict, but the nexus is clear. It is one of its key drivers because it practically leads to the demise of the social contract and puts stability under a constant threat. It is also one of the key results of violent conflict, given that wars greatly diminish governance capacities, as evident in various Arab countries, directly, and indirectly, mostly because of the paramount importance given to security responses often at the expense of public freedoms and human rights, and end up increasing polarization and exclusion. When the nexus is at play, both poor governance and violent conflict are a cause and effect of the lack of social cohesion, especially in diverse communities, where diversity is not well managed within a citizenship framework, thus making the question of social cohesion a very relevant one for the future of the region.

Breaking this vicious circle (poor governance and violent conflict) requires concerted collaboration between local, national, regional and international actors, drawing on good practices and lessons

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[7] In 2010, only four countries were developing and implementing national anti-corruption strategies, compared to fourteen in 2017 while new specialzied agencies are being established and older ones revisited and strengthened, including in Morocco and Tunisia, where they have been mandated in their new Constitutions.

[8] Iraq, Libya, Palestine, Somalia, Sudan, Syria and Yemen.

learned, to reach first and foremost political settlements to the protracted conflicts in the countries affected by it, while reinforcing inclusive governance as a safeguard for peace and security in the other countries. The responses will certainly vary depending on each country's situation, and can certainly benefit from regional frameworks that employ the economies of scale to develop requisite capacities, while providing knowledge-based platforms for peer learning and catalytic action, jointly whenever possible.

Analysis

Developmental gains in the Arab States region and its relative stability were put to the test in 2011 by an overwhelmingly young population that is healthier, better educated, and more connected than earlier generations.[9] People voiced their grievances demanding jobs, social justice, and an end to corruption and authoritarianism. The response of their governments varied causing, together with other internal and external factors, different countries to move in different directions, sacrificing development gains, exacerbating polarization and triggering violence and wars, thus ultimately increasing fragility across the region.

Central to this fragility is the issue of governance, which had started to be a more salient feature of the regional discourse on reform and democratization in the aftermath of the "September 11 Attacks", but without any significant change to the status-quo in the ten years that followed. Despite the achievement of some successes, mostly in relation to public finance, women's rights and civil society empowerment, overall progress was relatively slow and in many cases perceived as cosmetic or detached from local realities. This widened the trust gap between citizens and State, and increased socio-economic inequalities, with Egypt and Syria being cases in point. Furthermore, the failure of governance structures and processes to target horizontal relationships among different social groups increased their feeling of alienation in their own countries.

Governance reform initiatives during the period of 2001-2011 seemed more inclined to adopt technical approaches, which typically avoided grappling with structural deficits and political issues, including systemic corruption, and restricted societal participation in decision-making and formal channels of engagement on public affairs. Most of the attention focused on formalistic and fractional compliance with a "democratic governance" checklist, including elections and local governance, but did not effectively increase inclusion. Other significant investments were made in "modernizing" public administration and justice institutions, without adequately factoring in the challenges posed by weak institutional accountability and political monopoly. Moreover, avid support by international development partners to police, prosecution, and judiciary did not help guarantee the rule of law, with concerned institutions in several countries continuing to suffer from political interference and corruption,[10] and with marginalized groups not having access to justice.

Relevant international indicators and surveys provide a clearer picture on key governance deficits in the Arab States region. On the 2016 Competitiveness Index of the World Economic Forum, the region scores 4.22 out of 7 points on "quality of institutions" compared to a global average of 4.07;[11] however, performance deteriorates when one considers aspects related to "voice and accountability" and "control of corruption", as demonstrated by the 2015 Worldwide Governance Indicators,[12] where the region scores well below the global average. This is also the case when examining the 2016 Corruption Perception Index of Transparency International, where the region scores 32.71 out of 100 points compared to a global average of 42.94, and the 2015 Open Budget Index where the region scores 19.91

[9]   Arab Human Development Report 2016: Youth and the Prospects for Human Development in a Changing Reality, pp. 14-16. *United Nations Development Programme (UNDP),* [Online]. Available at http://www.arab-hdr.org/. [Accessed 12 May 2017].

[10] Global Corruption Barometer 2015/2016. *Transparency International*, [Online]. Available at http://www.transparency.org/research/gcb/gcb_2015_16.

[11] The Global Competitiveness Report 2016-2017, the World Economic Forum 2017, Available at https://www.weforum.org/

[12] 2017 Worldwide Governance Indicators Database. *The World Bank,* [Online]. Available at http://data.worldbank.org/data-catalog/worldwide-governance-indicators. [Accessed 12 May 2017].

out of 100 points compared to a global average of 45. This is confirmed by the sixth wave of the World Value Survey (2010-2014), which indicates that around 50% of the respondents in the region do not have confidence in their government and 32% believe that the government is not doing enough to fight corruption.[13]

Inclusive governance and peacebuilding are mutually reinforcing and perceived as two sides of the same coin. Governance structures and processes that are more participatory and less vulnerable to corruption and inefficiencies are key to ensure that the existing social contract remains representative and responsive to the needs of the constituency. This fosters resilient institutions and policies that can reduce vulnerability to violent conflict, including the enhancement of social cohesion; however, when that fails, the focus shifts to the other side of the coin – peacebuilding can resolve conflicts and reconcile communities, and facilitate the rebuilding of governance structures and processes, especially that it usually provides platforms to reform constitutions and introduce more inclusive legislation.

In countries that are not involved in violent conflict, the governance response would be centred on reforms that address the socio-economic inequalities and the mistrust between citizens and State institutions, with the aim of fostering social cohesion and promoting pluralism, tolerance and acceptance. To this effect, it is important to learn from the failure of past governance reforms, which have been mostly structured around the assumption that solutions can of a limited technical nature – direct subsidies, equipment, training and laws that are not well contextualized. What is needed is the establishment of representative institutions at the central and local levels, complemented with inclusive laws and practices that guarantee fairness regardless of political affiliation and reduce risks of corruption and inefficiencies. This includes, among others, merit-based civil service, transparent and competitive procurement, freedom of information, simplified procedures and related internal controls for public finance and service delivery, and finally, integrated and effective accountability frameworks in parliaments, justice authorities and audit institutions.

In countries that are suffering from violent conflict, the governance response would need to prioritize the rebuilding of core government functions, as an integral part of the overall peace-building effort. To this effect, it is important to address political exclusion by opening the political arena to legitimate competition, strengthening civic engagement, and improving diversity in decision-making positions to better reflect the diverse needs of the population; this while also enhancing public participation in the management of public affairs and funds, establishing linkages between formal and informal governance structures, and improve citizen-state relationships. In addition, there is a need to address inequalities that marginalize social groups on ethnic, political and social grounds, especially women and youth. Finally, this also requires the adoption of the wide lens of preventing violent extremism (PVE) and conflict sensitivity, beyond the security-focused response, to address the root causes of radicalization, re-build preventive governance structures and processes and support reconciliation and social cohesion. This, however, cannot be done without transparent legal controls that reduce mitigate corruption and the arbitrary use of violence, improve the delivery of social services, and foster the freedom of expression towards a more open and pluralistic social dialogue.

For interventions to be successful on governance and peace-building, **partnerships and broad networks are necessary**. This requires openness and dialogue amongst the actors leading projects, a deep and genuine engagement by other stakeholders, and donors' commitment to targeted, long-term engagement and collaborative support.

Way Forward and Entry Points

The 2030 Agenda for Sustainable Development does not only recognize the central role of governance in building peaceful, just and inclusive societies, but it also dedicates one of its seventeen goals to that end. Goal 16 aims to "*Promote peaceful and inclusive societies for sustainable development, provide*

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[13] The sample included 11,886 respondents from Algeria, Iraq, Palestine, Egypt, Lebanon, Kuwait, Jordan, Morocco, Qatar and Yemen, [Online]. Available at www.worldvaluesurvey.org. [Accessed 12 May 2017].

access to justice for all and build effective, accountable and inclusive institutions at all levels". Below are recommended *entry* points for UNDP's regional programming in 2018-2021.

1. Focus on public administration and justice institutions that are inclusive, less vulnerable to corruption, and capable of effectively and efficiently collecting revenues, and delivering services – from education and health to security – to its citizens in an equitable manner, with special attention to access of women and marginalized groups. This would include providing incentives in institutional design and strengthening sustainable and effective checks and balances through parliaments, local governance, elections, judiciary, audit institutions, and anti-corruption agencies.

2. Focus on making the political system more responsive to different groups, especially those that are vulnerable, through targeted transparency and accountability mechanisms. This would include enhancing the understanding of women in decision-making address barriers that women face in participation and representation in these roles. Similarly, enhancing youth participation and their meaningful representation in governance and peace-building processes would be necessary.

3. Invest in social cohesion and conflict prevention at local, national, and regional levels through inter-religious dialogue, community dialogue, national dialogue, and efforts to improve the localization of security and national capacities to prevent conflict and violent extremism and enhance pluralism and trust-building. In this context, enhance the understanding of violent extremism at a local, national, and regional level, and refine preventive responses at all levels. This would also entail investing in engaging society leaders with the influence to promote change at a decision-making level for inclusive governance and sustaining peace.

4. Invest in governance institutions that can resolve and arbitrate disputes to reduce incentives for violence and build sustained peace, while fostering targeted and risk-informed preventive solution pathways for sustaining peace by investing in a joint analysis of the causes, drivers, and triggers of conflict.

5. Invest in establishing and strengthening participatory regional network and platforms that facilitate solution-oriented dialogues and promote collective action between government, business, civil society and academia on matters of joint concern, including trade, corruption, human rights, climate change, and sustaining peace in the framework of the 2030 Sustainable Development Agenda, with special emphasis on the empowerment of civil society as an active and legitimate partner in this regard. Such regional platforms and networks would promote south-south cooperation and exchange of knowledge and good practices.

Questions for Discussion

- While placing efforts to achieve the SDGs, it is important to learn from the past governance reform efforts. What needs to be changed in the current national and regional efforts to strengthen governance systems? What kind of interventions should be implemented to ensure that positive change is achieved both at the central and local levels?

- In conflict countries, the governance response would need to prioritize the rebuilding of core government functions, as an integral part of the overall peace-building effort. To this effect, what would be the most effective ways to address political exclusion, establish linkages between formal and informal governance structures, and improve citizen-state relationships?

- For different reasons, the social cohesion in many Arab countries risks to be undermined. Beyond the security-focused response, what development interventions should be undertaken to address the root causes of radicalization, violence, sectarianism and discrimination?

- To achieve peace, justice, and inclusion it is important that governments, civil society, and communities work together to implement lasting solutions to reduce violence, deliver justice, combat corruption, and ensure inclusive participation. How can these partnerships be build and strengthened?