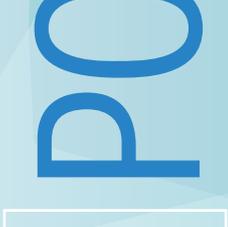
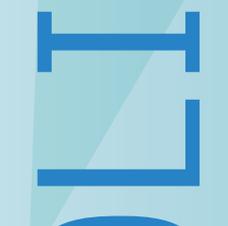
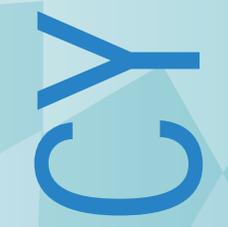
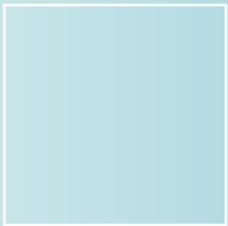


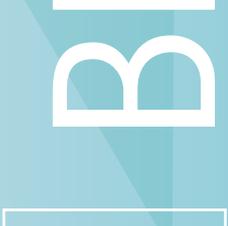


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Beyond the Arab State. Towards an Integrated Approach to the Political Economy of MENA

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Six years after the outbreak of the Arab revolutions, two prominent dynamics define the new regional disorder. On the one hand, popular revolts and subsequent internal conflicts, and civil strives in many countries, led to the weakening or complete destruction of central-state capacities to control and regulate socio-economic and power relations. On the other, war-torn and conflict-ridden states in the MENA region became battlefields for regional and international powers amidst intensifying geopolitical competition, which have increasingly come to influence - if not altogether shape - outcomes on the national level within conflict countries. In some instances, these interventions helped in the re-imposition of order, albeit on authoritarian terms, which has been the case in Bahrain with the Saudi military invasion and the suppression of the revolt against the monarchy. This was also the case with the support given to Egypt's military in the wake of the takeover in mid-2013. In other cases, geopolitical competition deepened internal conflict and further undermined states' capabilities to regulate and control their territories and populations. This meant supporting militias and local armed groups, cross-regional sectarian (e.g. the Sunni-Shiite divide that cuts across Iraq, Syria, Lebanon and

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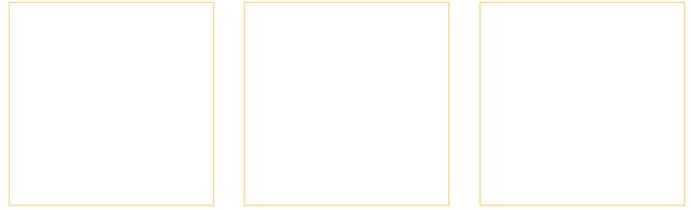
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Yemen, emanating from Saudi Arabia and Iran) or ethnic identities (e.g. the Kurdish question). Economic networks and channels were formed, through which new flows of people, ideas and monies were to be governed beyond the state.

Analytically, we can generally state that the national level has become less relevant over time as it has been regional and local powers, networks and flows that have caused many Arab states to become scenes of action by others. Many of these are non-state, as opposed to states acting as actors that are capable of defining and pursuing interests as coherent organisations. The local and the regional came to collide, bypassing the national. Many socio-economic and political phenomena that were historically considered sub-national or a sign of incomplete statehood assumed a regional character after the Arab revolutions. A prime example would be economic informality, which has often been a key feature in the creation and exchange of economic value in the MENA region. However, it assumed complex regional forms such as cross-border trade and networks, which tied local economic and political elites in a general regional dynamic of exchange. This led to the effective rise of altered forms of governance, especially with many militias, armed groups, tribe-leaders and local notables being tied to these regionalised networks and spaces of wealth and power exchanges. An example is the informal-trade triangle between Tunisia, Libya and Algeria, where not only goods are smuggled, but also money, arms and people. The same dynamics also seem to be at play in the case of Egypt's Eastern and Western borders with Gaza and Libya respectively, as well as on the Syrian-Turkish borders. In this context, new economic actors formed, ranging from lay smugglers to others with political or military functions. A striking case would be the illegal oil trading that involves the Islamic State Organisation (ISIS) through networks into Turkey, as well as within Syria, where the militant group could establish what seem to be permanent oil-trade networks. Similarly, Libyan city-states and their local armies and militias control trade routes, oil fields, as well as ports and airports.

The weakening or the partial-to-total collapse of central governments allowed the emergence of new spaces and hubs, actors and flows that were either non-existent before the Arab revolutions or that existed on a small scale. For



example, the MENA region witnessed a territorialisation of Jihadist control in Syria, Iraq and Libya by the Islamic State Organisation, which claimed sovereignty over parts of these war-torn states. In a similar vein yet less dramatically, post-2011 Libya witnessed the rise of effectively sovereign city-states.

Towards a regionally integrated approach

If the primary interest in academic and policy circles is the future re-stabilisation of the MENA region, finding an answer is not possible unless some comprehensive and dynamic political economy approach is developed. This is currently lacking and the literature on the political economy of the MENA region has hitherto been sparse and thin. It has usually focused on single nation-states instead of assuming a regional dimension. Moreover, its focus has often been on formal state policies and institutions, or on state-private business interaction via cronyism, patronage or capture by private interests of corrupt incumbents or their business cronies. Economic informality, as rampant as it has always been on the national and regional levels, remained the traditional domain of statisticians or neoclassical economics with little sociological input, if any at all. It is time to streamline the study of informality, identifying how and whether it links up to formal economic institutions and markets in a time of globalisation. This is not in the sense of a distorted form of economic and social activity, but rather as the predominant framework within which exchange happens in the MENA region. It is also time to go beyond single-state centred analysis and towards mapping the region or at least spaces and flows in the MENA region, where ultra-state and regionalised inter- and intra-state networks, actors and flows reign supreme.

How can regional influences (flows of aid, fighters, arms, informal trade, migration and refuge seekers etc.) be addressed, contained and reconfigured for the creation of a new order or to limit the current features of disorder on a national and regional basis? What are the political-economic underpinnings of such stabilisation efforts given the long history of deeply entrenched national and regional patterns of marginalisation, unaccomplished development and failed political arrangements? And how can regional flows, both inter-state and ultra-state,



especially informal trade but also migration, that exist on the ground in weakly-regulated zones be integrated into the development efforts on the national and regional levels?

Studying the new dynamics of political economy in the MENA region requires an integrated approach that, methodologically and analytically, goes beyond the state into broader regional determinants of national and local processes. Going beyond the state recognises, with the facts on the ground, that in many parts of the MENA region the locus of the interplay between wealth and power – the subject matter of political economy – is no longer driven by central states. This means that an integrated approach would entail drawing a map of the region without borders, tracing trans-national flows, regionalised local and national elite networks (e.g. business partnerships between the military in Egypt and Saudi and United Arab Emirates businessmen, usually with dense political connections) and new spaces that transcend claimed boundaries between sovereign states (e.g. the informal trade zone between Tunisia, Libya and Algeria). It would also mean going beyond the state analytically and conceptually by studying ultra-state actors (e.g. militias and local armed groups), flows and networks, and primarily the regionalised forms of informal – that is to say non-state regulated or controlled – movement of people, goods, monies, arms and ideas.

Without doubt, the state remains relevant for any credible and serious analysis. It is a matter of fact that re-construction efforts, socio-political reconciliation and the reconstitution of national polities in war-torn countries, as well as in conflict-ridden post-revolution cases, all involve the nation-state. However, the determinants of these processes in the current context all but go beyond the claimed borders of states and hinge upon regional dynamics, flows, actors and hubs. This applies to sectarian and ethnic identities that are of a clear ultra-state character even though they are critical inputs in any national reconciliation process, especially in countries like Syria, Iraq and Yemen. It also applies to the effective regulation of extended spaces of informal trade, human migration and militia control in North Africa. The same logic applies to inter- and intra-state as well as ultra-state mechanisms and patterns of oil-rent recycling from oil-rich nations like Iran, the GCC members and Algeria,

to oil-poor countries. Historically, oil recycling has been crucial in understanding the dynamics of international and civil wars; of development models and actual interdependencies through remittances and migratory labour forces; and of the financing of reconstruction and stabilisation efforts on the national and regional levels.

A regionally integrated approach to the MENA region's political economy should be equipped to capture complex post-Arab revolution processes in whole and in motion. The development of such theoretically-informed framework, based on extensive fieldwork and intimate knowledge of the region, should depict the patterns of interaction between old and new actors (both political and economic), as well as between emerging flows, spaces and hubs. The ultimate goal is to reduce the complexity of what has been occurring in the MENA region and to provide new paradigms to make it intelligible, analysable and hopefully predictable. This carries some serious implications and potential contributions to policy-making, and to different stakeholders in the MENA region and its surroundings. Europe in particular feels an impact regarding efforts to re-make a regional order, re-think regional economic integration, and in its post-conflict reconciliation, reconstruction and the resumption of economic development.

A research mission: mapping the MENA region without borders

A new approach to the MENA region's political economy following the Arab revolutions requires the resetting of the research agenda with one central mission: to draw a map without borders, which indicates actors and networks, flows and spaces de facto on the ground. With the right dosage of theoretical, conceptual and methodological innovation and ingenuity, such a map should highlight the mechanisms through which, with the generalised weakening of central state agencies, power and wealth are being (re)-instituted in the MENA region. The map would indicate the dynamics of disorder in conflict- and war-torn countries, and the co-constituting mechanisms of local (i.e. sub-national) and regional actors that are deeply embedded in networks of power and wealth. Only through such mapping, can new and old actors be



identified and the forces of disorder rationalised with the possibility of re-integrating them into a rising order in the MENA region. The new research mission would set to map the following:

1. Mapping power networks of actors by identifying old and new actors, the genealogy and genesis of their power, relations with formal state institutions (or what remained of them) and perspectives towards post-conflict scenarios. This would apply to formal actors like governments and official bodies, but also to banks and investment funds (for instance GCC investors in Egypt or Lebanon). It would also look deep into how formal (e.g. private investors) as well as informal (e.g. smugglers and militias) non-state actors became related to new configurations of power and economic resource distribution. Arab revolutions have demonstrated the rising significance of political and economic resource networks that are wholly composed of non-state actors. Examples include networks that govern informal trade through the North African desert or those that control human trafficking, oil smuggling and arms trade, not to mention Jihadist transportation and circulation between the Middle East, North Africa and Europe.

2. Distinguishing, categorising and mapping flows: The MENA region has always shown intensive regional patterns of interaction and integration through public or private flows of goods and services, money, people and ideas. This has been considerably transformed after 2011 as the old order (both inter-state as well as intra-state arrangements and institutions in many cases) was either completely destroyed or radically transformed. It is fair to say that “disorder” is regional in its dynamics, causes and impacts. This however proved to have differentiated impacts and consequences at national and local levels. Capturing this is crucial in order to understand potential post-conflict reconstruction and development. The restoration of any order, or in other words stabilisation, can only be dealt with from a regional angle or even from an inter-regional perspective, counting Europe in, given the impact the disorder in the MENA region is causing there. Studying regional flows requires unpacking these phenomena and breaking them down into their political-economic and sociological components.

3. Identifying and demarcating hubs and spaces, which are the sights and scenes of flows and actors. These hubs are often located in new physical spaces where different forms of intercourse were introduced or were radically transformed. A prime example would be the cross-border areas where flows of goods, money and people pass, such as the triangle between Libya, Tunisia and Algeria or the Turkish-Syrian borders. Some cities and territories gained a central role in the articulation of trade, money and migration flows: Dubai, Misrata, Ben-Guerdane, Zuwara and Aleppo, to name a few. Another example is refugee camps, in countries like Lebanon, Jordan and Turkey that were formed with the massive population displacement in Syria and Iraq. These newly founded centers of human concentrations served as hubs for migratory movement to Europe as well as in the MENA region. They have also assumed special importance in recruitment for militias and armed groups.

In conclusion, the pre-2011 MENA region has little to share with the region of the post-2011 revolutions. Traditional political-economic approaches that once centered on Arab states as autonomous actors with self-contained and clearly demarcated interactions, are hardly adequate for the present situation. What is needed is a regionally integrated approach to the political economy of the MENA region, setting a new research mission with a newly developed tool-kit of concepts, methods and analytical angles. Such knowledge production is essential not only to policy-makers in the MENA region and in its surroundings, primarily in Europe, but also for the increasingly engaged public opinion and different social and economic stakeholders on the two shores of the Mediterranean.

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