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Development Cooperation with Conflict-Affected MENA Countries: Refocussing on the Social Contract

Summary

State–society relations are in flux across the Middle East and North Africa (MENA), nearly a decade after the Arab uprisings. The protests and revolts that swept the region in 2011 arose from widespread rejection of the post-independence Arab social contracts. These were based on redistribution of rents from natural resources and other forms of transfers and subsidies, as "compensation" for acquiescence to political and economic authoritarianism. In several MENA countries, including Iraq, Libya, Syria and Yemen, but also in Algeria, Lebanon and Palestine, the old social contracts have been destroyed by civil conflicts and internationally sponsored wars, which in some cases predated the 2011 uprisings.

Since broken social contracts are at the root of conflict in the MENA region, supporting new social contracts should be the core objective of development cooperation with the region's most conflict-affected countries. But "post-conflict reconstruction" often ignores the fact that conflicts do not end with peace agreements, and conflict-affected societies need more than reconstructed infrastructure, institutional capacity and private sector investment if they are to avoid violence in the future.

Development agencies term this kind of cooperation "resilience": promoting political, economic, social and environmental stability, rather than risking uncontrollable, revolutionary transformation. However, resilience has often provided cover for short-term measures aimed at preserving the position of particular actors and systems. Development cooperation needs to get beyond reconstruction and resilience approaches that often fail to foster the long-term stability they promise. By focussing on the social contract, development cooperation with conflict-affected countries can provide a crucial link between peacebuilding, reconstruction and longer-term socioeconomic and political development. It can thereby contribute not only to short-term, but also to long-term, sustainable stability.

Using the social contract as an analytical lens can increase understanding not only of what donors should avoid doing, but also where they should concentrate their engagement during transitions from civil war. Practical examples from challenging contexts in the MENA region suggest that donors can make positive contributions in support of new social contracts when backing (a) stakeholder dialogues, (b) governance and reforms, and (c) socioeconomic inclusion. In Libya, the socioeconomic dialogue process has brought stakeholders together to outline a new economic vision for the country. The Municipal Development Programme in Palestine focusses on improving the accountability and delivery of local institutions. The Moroccan Economic, Social and Environmental Council provides an example of a process that engages previously marginalised groups.
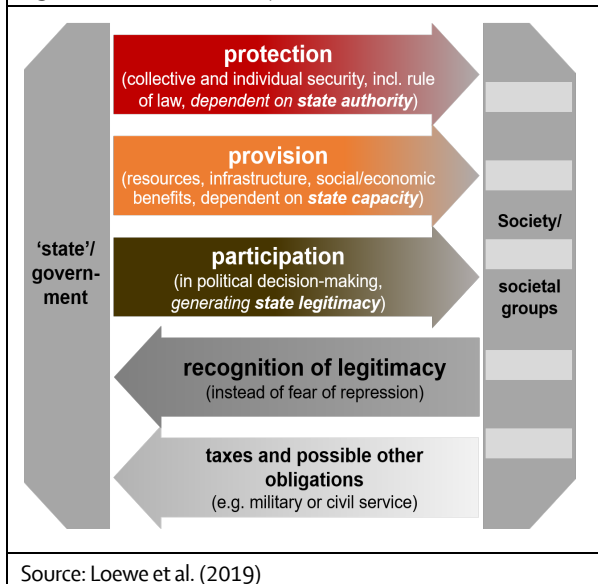
These programmes are all examples of targeted efforts to build cooperation among the groups that make up MENA societies. They aim to broaden decision-making processes, and to increase the impact of specific measures with the ultimate objective of improving state–society relations. They could be adapted for other fragile contexts, with external support. In backing more of these kinds of activities, donors could make stronger contributions to sustainable, long-term peace- and state-building processes in conflict-affected MENA countries.

What are social contracts?

The social contract is a key analytical concept in development research. A "social contract" can be defined as "the entirety of explicit or implicit agreements between all relevant societal groups and the sovereign (the government or any other actor in power), defining their rights and obligations towards each other" (Loewe, Trautner, & Zintl, 2019). It is the set of formal and informal rules and norms that regulate state–society relations in a given country, with relevance both for individuals and for the social groups that constitute a society. This is especially relevant in fragile and conflict-affected countries, where development challenges are greatest (McCandless et al., 2018). Weak or underperforming social contracts are defining factors in state and societal fragility. Broken social contracts exacerbate the root causes of civil war, especially state repression, inter-communal conflicts and injustice.

Figure 1 captures some of the "deliverables" that are "exchanged" by the state and society under a social contract. The state should provide public goods, such as national and human security ("protection"). It should enable "participation" by protecting citizens' rights, such as political engagement, justice, and religious and other freedoms. It should also provide institutions, opportunities and services, such as healthcare and education ("provision"). Society, both at the level of social groups and individuals, should grant recognition to the state as a sovereign entity, and support the state by paying taxes and participating in public affairs. Some parts of a social contract are formalised, such as in constitutions, others remain implicit.

Figure 2 depicts the reformation of a state–society social contract in a country where it has been destroyed by violent conflict. This needs to happen through a series of iterative, mutually reinforcing processes. The first step is usually the agreement of a political settlement ending the violence, through domestic negotiation and/or international sponsorship. The second key process is the reformation of "social covenants" between and among social groups and communities, which specify how they can live peacefully together. Thirdly, when a critical mass of social covenants supports the emergence of the new state–society social contract, this embeds and legitimises the political settlement, through the institutions of the state.

Figure 2: Forming a social contract in a conflict-affected country
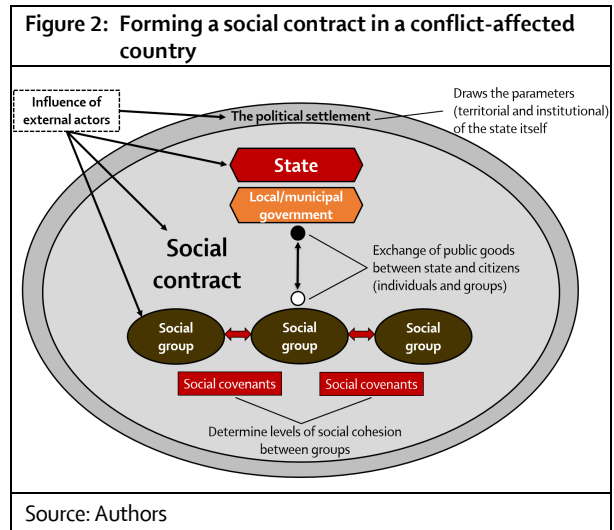
Source: Authors

This does not mean that a political settlement must include all social groups or cover the state's entire territory to come into being. Nor does the system of social covenants have to be complete. Indeed, in most conflict-affected countries, both the system of social covenants and the political settlement are incomplete. While in some parts of a country a political settlement may have been agreed, in others it may not yet apply. Equally, some groups may have made good progress towards a social covenant independent of the state, while others may still be fighting, and elsewhere a partial social contract may have emerged even though other building blocks are missing. But, as a general rule, all three tracks need to be advancing so that a peacebuilding process can be considered sustainable.

As Figure 2 indicates, external actors can influence all of these processes. International diplomatic and even "hard power" engagement is usually necessary to get conflict parties to enter into an agreement to end violence. Development cooperation, in turn, can play a crucial role in supporting the covenants among social groups, and the ties between these groups and the state, which should deepen to form the social contract. Development partners can play an important role as mediators and facilitators, including through targeted financial and technical support.

Figure 1: The state–society social contract: the "3 Ps"

Source: Loewe et al. (2019)

In most countries, the social contract is a living thing, in a constant state of negotiation based on acceptance of the basic, legitimate parameters of state–society relations. In countries affected by conflict, however, these underpinning parameters have often been destroyed by violence, and their reconstitution is invariably contested.

Supporting new social contracts for conflict-affected MENA countries

After independence, Arab governments established a specific type of social contract with citizens, based on the redistribution of rents from natural resources, development aid and other forms of transfers. They provided subsidised food and energy, free public education, healthcare and government jobs to citizens, as "compensation" for the lack of political participation. However, with growing populations, weak institutions and declining state revenues, many governments lost the ability to fulfil their side of the bargain. This exacerbated sociopolitical inequalities and eroded relations between the well-connected and the excluded; among the ethnic, confessional and tribal groups that make up MENA societies; and between generations.

The Arab uprisings brought these tensions out into the open, resulting in the fall of several established regimes and sparking socioeconomic and political transition processes that have tried to embed "new" social contracts to varying degrees across the region (Loewe et al., 2019). In several MENA countries, especially Iraq, Libya, Syria and Yemen, brutal civil wars all but destroyed the post-independence social contracts. In Lebanon and Palestine, deep divisions and external disruptions predating the Arab uprisings have stalled the social contract processes.

MENA countries have to develop their own social contracts, and donor countries do not decide what the parameters of these processes are, nor the relevant political, social and economic partners which have to take part. Nevertheless, the international community has an important role to play. Tensions between social groups in several MENA countries have been exploited by external actors for their own purposes. The challenge for development cooperation is to provide a positive, unifying influence and to get beyond resilience and reconstruction approaches that often fail to foster the long-term stability they promise. Examples from challenging contexts in the MENA region suggest that donors can make positive contributions in support of new social contracts when backing (a) stakeholder dialogue, (b) governance and reforms, and (c) socioeconomic inclusion.

Support for stakeholder dialogue

Dialogue among relevant stakeholders aimed at building coalitions to push specific initiatives can help create "quick wins" and evidence that cooperation works better than conflict. Stakeholders can include state agencies, businesses, unions and other domestic and external stakeholders, civil society networks, experts, and local "change makers". Dialogue can be facilitated through technical assistance programmes and projects that explicitly support reforms aimed at achieving concrete objectives. Dialogue can also be an end in itself, especially when it aims to bring stakeholders together to discuss key aspects of the social contract. Such processes may have a broader impact in support of covenants among social groups, thereby contributing to the emergence of social contracts across whole societies.

The Libya socioeconomic dialogue process is an example of a development cooperation-supported stakeholder forum in a conflict-affected country. Libya has to build a new, post-Gaddafi social contract, but the country's political settlement has collapsed and civil war has ruptured the system of social covenants. Socioeconomic dialogue that brings various Libyan and international actors around the table to debate the country's economic future is a small but crucial process, which has been running since 2017. It is financed by Germany and implemented in cooperation with the United Nations Economic and Social Commission for West Asia (UNESCWA). It aims to support the exchange of ideas on future social, governance and economic models, as a complement to Libya's peacebuilding process. The dialogue, by focusing on sustainable development in parallel with diplomatic efforts to end the conflict, is intended to build trust, partnerships, mediation skills and institutional capacities that could underpin social covenants and eventually a new Libyan social contract.

Support for governance, accountability and transparency

Development cooperation has long recognised the importance of governance for state–society relations and addressing structural problems in the MENA region. Demands for transparent and accountable governance were central to the 2011 uprisings, as well as the recent protests in Algeria, Iraq and Lebanon. Donor activities, including sector policies and technical measures, need to focus more strongly on the social contract when designing governance programmes. This can be achieved by supporting the transparency and accountability both of the "top down" rules of the game, such as central government taxation and industrial policies, and of "bottom up" processes with regard to specific sectors or regions.

In Palestine, the Municipal Development Programme (MDP) aims to strengthen institutional capacity and improve public service delivery at the local level. The programme has been running since 2009, funded by Denmark, France, Germany, the Netherlands, Switzerland and the World Bank. The MDP was designed as a long-term financing and reform mechanism to support the larger municipalities with incentive-based grants for infrastructure, and with efficiency, capacity-building and programme management. Its key feature is the relationship between citizens and local governments, and improvements on this front are rewarded with infrastructure investments. The MDP has faced challenges due to the difficult geopolitical setting in Palestine, and yet its participative, inclusive and transparent planning processes have helped increase trust in local government, a prerequisite for a new social contract.

Support for socioeconomic inclusion and cohesion

Socioeconomic cohesion and inclusion are crucial for the design, implementation and legitimation of reforms, and therefore need reinforcing in support of a new social contract. Current, selective and sometimes ideologically driven approaches to reconstruction risk polarisation and resistance by excluding certain sectors, regions and populations (World

Bank, 2018). This issue is particularly relevant when considering the balance of private and public sector employment in many MENA countries.

Morocco's Economic, Social and Environmental Council (CESE) is an example of how socioeconomic inclusion and cohesion can be supported institutionally. It could potentially provide a model for initiatives following political settlements in conflict-affected countries, with donor support. The CESE's 105 members include nongovernmental organisations, unions and employers. Created in 2011 as an independent advisory body to the Moroccan king and the parliament, the council became a key platform for social dialogue based on expert advice but also participatory bottom-up approaches. In a context of persisting inequalities and social contestation in the country, the CESE actively supports the search for a "new development model" embodying a new social contract. It provides expertise not only on labour law, decentralisation and fiscal reform, but also on how the state should deal constructively with new forms of social contestation.

Implications for development cooperation

Shifting the emphasis of donor engagement to the social contract in conflict-affected MENA countries has several implications. First, using the social contract as an analytical lens helps to conceive external support in a holistic and long-term manner. This is especially relevant for designing technical and financial cooperation programmes that aim to build genuine social, political and economic resilience against conflict, rather than short-term resilience to change. Sometimes, donor countries face contradictions between their own short-term goals and the longer-term needs of partners. The social contract approach offers a means of understanding and navigating the delicate contexts of conflict-affected societies.

A second implication is the need to diversify the partners of development cooperation. Donors must secure the buy-in of the state where possible, in order to secure the cooperation of those able to either facilitate or block reforms. This is not always easy in conflict-affected countries, where the "state" may mean local or municipal administrations. At the same time, focusing exclusively on state partners risks reproducing socioeconomic and power inequalities, and thereby reinforcing or reproducing the root causes of conflict or fragility that weaken the social contract. Experience has shown that broadening the groups of stakeholders and including marginalised groups in planning processes can have positive results for the legitimacy and therefore the resilience of reconstruction and institution-building programmes.

A third implication is that "classic", technical and financial development cooperation still has an important role to play in conflict-affected countries. Strengthening the capacity of stakeholders and institutions to negotiate social covenants and social contracts, concept development and strategic planning for economic and political transformation, and underpinning local priorities with international expertise, are all processes that development cooperation can support.

Not all conflict-affected countries are open to outside efforts to influence their social contract processes. Most of the state–society questions under consideration involve rights, obligations, resources and justice, and are thus highly politically sensitive. Brokering covenants among social groups that have been at war with each other is risky and some measures will inevitably fail. Nevertheless, the examples provided in this paper indicate that in prioritising and promoting stakeholder dialogues, stronger institutions, and more inclusive economies, development cooperation can make a positive impact in support of social contracts in the MENA region and elsewhere.

References

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