

# **Inequality, Uprisings, and Conflict in the Arab World**

By Elena Ianchovichina, Lili Mottaghi, and Shantayanan Devarajan

## Executive Summary

### Part II

The Middle East and North Africa (MENA) represents a puzzle. The region had been making steady progress in terms of the World Bank's twin goals of eliminating extreme poverty and boosting shared prosperity. Yet, starting in late 2010 there were revolutions in Tunisia, Egypt, Yemen and Libya, a rebellion that has led to a protracted civil war in Syria, and widespread popular discontent in many other countries. The Arab Spring events caught the world by surprise. Standard development indicators failed to capture or predict the outburst of popular anger during the spring of 2011. What could explain this conundrum, which we refer to as the 'Arab inequality puzzle'?

Answers to these questions are beginning to emerge from new research on monetary inequality and subjective wellbeing in MENA conducted as part of a comprehensive study on economic inequality, uprisings, and conflict in the Arab world. Part II of the report summarizes the main findings emerging from this new research and proposes a possible answer to the Arab inequality puzzle. It argues that income inequality, which was relatively low and declining, could not be a major factor in triggering the Arab Spring events, although wealth disparities, which are typically higher, could have been.

Instead, the report finds that the Arab Spring revolutions were triggered by growing and broadly shared dissatisfaction with the quality of life. Ordinary people, especially the middle class, were frustrated by their deteriorating standards of living, reflecting a shortage of quality jobs in the formal sector, poor, quality public services, and governance issues. Reflecting diminishing marginal utility, the widespread system of subsidies could not compensate for all these problems; subsidies mattered less for the wellbeing of the middle 40 percent (M40) of society than they did for the wellbeing of the bottom 40 percent (B40). The social contract of redistribution without voice stopped working. The middle class wanted more – it wanted a voice, real opportunities, and accountability.

The spread of extreme violence in post-Arab Spring MENA appears to be linked to high inter-group inequality, along sectarian or ethnic lines, rather than economic inequality per se. Although grievances alone do not lead to civil wars, grievance-motivated protests and uprising can grow into civil wars if groups organized along sectarian and/or ethnic lines use the grievances to gain public support. In such highly polarized societies, the presence of natural resources and a high proportion of unemployed young men further increase the risks of conflict. Thus, post-Arab Spring MENA seemed primed to fall into disarray.

*Source:* Ianchovichina, E., Mottaghi, L., and Devarajan S. (2015) Inequality, Crisis, and Conflict in the Arab World. Middle East and North Africa (MENA) Economic Monitor. Washington, D.C.: World Bank Group.