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Building Prosperous Societies through Peace and Stability



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Introduction

The 2030 Agenda for sustainable development is a transformational agenda, universal in scope, and uniquely ambitious in its aspiration to ‘leave no one behind and to reach the furthest behind first’. It seeks to eradicate poverty in all its forms and to promote shared prosperity while protecting people and the planet. However, fulfilling these aspirations is a daunting task in the Arab region, where recurrent and protracted conflicts and crises, driven by internal political, economic and social factors as well as those involving occupation by external actors, have caused major development setbacks and led to massive and protracted displacements. Climate change and environmental vulnerabilities are compounding these challenges, highlighting the need for comprehensive responses to mitigate the impacts of conflicts and crises, alongside efforts to tackle their roots causes and build long-term resilience.

Session Objectives

The preamble of the 2030 Agenda for sustainable development affirms that “*there can be no sustainable development without peace and no peace without sustainable development*”. This statement strongly resonates with the realities of the Arab region, where deeply-rooted governance, economic, social, and environmental challenges have spurred conflicts and instability, and where the spread of conflict and violence has in turned exacerbated those challenges, undermining prospects for sustainable development in all its dimensions.

This session will discuss steps towards mitigating the immediate and longer-term impacts of conflicts on affected people, societies, institutions, economies and ecosystems whilst building long-term resilience by addressing the underlying drivers of conflicts and violence. A coherent and effective approach will be paramount for breaking this vicious cycle and achieving the SDGs. Structural challenges revolving around the lack of economic opportunities for the young men and women, inequality and exclusion, governance and accountability gaps, as well as natural resources-and climate related stresses and risks in the region will be scrutinized in particular in this session. These challenges underscore SDG goals 1, 2, 5, 8, 10, 13 and 16, as particularly critical entry-points for catalytic action.

Background

Home to only 5 percent of the world’s population, the Arab region has witnessed 17 percent of the world’s conflicts between 1948 and 2014.¹ In 2015, the region accounted for 30% of the world’s active conflicts.² Conflicts have ranged from sporadic, intermittent or localized fighting and terrorist attacks in a number of Arab countries, to full-scale and widespread, protracted conflicts in others like Libya, Somalia, Syria or Yemen. There are currently 136 million people in the Arab region (37.5% of the population) that live in countries beset by wars of different intensity.³ Feeding upon and intensifying ongoing conflicts, violent extremism has been on the rise, with the region as a whole witnessing 45 percent of the world’s terrorist attacks in 2014.⁴

Conflicts have led to unprecedented mass displacements of people within affected countries and across borders to neighboring countries and beyond. In 2015, two-fifths of the world’s refugees, internally displaced persons (IDPs), asylum seekers and other people of concern originated from the Arab region, whilst the region as a whole was host to 34% of the world’s *forcibly* displaced population.⁵

¹ UNDP, 2016, Arab Human Development Report.

² Ibid.

³ ESCWA, ECRI, background note for the session.

⁴ UNDP, 2016, Arab Human Development Report.

⁵ UNHCR, 2016, global trends: forced Displacement in 2015.

Within Syria, 51% of the population has been displaced; since March 2015, more than 3 million people have been displaced within Yemen⁶ and an equivalent number of people within Iraq.⁷ More than 10% of Somalis are IDPs. Over 5 million Syrians - the world's largest refugee population under the UN mandate - have been forced to seek refuge in nearby Jordan, Lebanon, Egypt and Iraq, as well as Turkey; and many more have requested asylum in Europe. Jordan and Lebanon host the largest number of Syrian refugees in the region, representing more than 10% and 25% of their respective population, in addition to hosting long-standing Palestinian refugee communities.

Poverty

Conflicts have been major drivers of income and human poverty across the region. Conflicts have disrupted access to basic health, education, water and other critical services, damaged infrastructure, productive resources and ecosystems, with devastating impacts on the livelihoods of millions of people. In Yemen, the conflict has left 18.8 million people in need of humanitarian assistance.⁸ According to the 2017 Humanitarian Response Plan (HRP) for Iraq, an estimated 11 million people are in dire need of humanitarian assistance, including over 5 million children. Poverty is estimated to have risen to 23 percent in 2014, from 19.8 percent in 2012.⁹ In Syria, 13.5 million people require humanitarian assistance, including 4.9 million people in need trapped in besieged and hard-to-reach areas.¹⁰ More than 80 percent of the population is estimated to live in poverty.¹¹

In Palestine, the protracted Israeli occupation continues to drive rising levels of poverty, which affects some 25.8% of Palestinians – 17.8% of the population of the West Bank and 38.8% of the population of Gaza population.¹²

Conflict-induced displacements have also affected poverty outcomes in already vulnerable host communities, where scarce jobs and livelihoods opportunities, the lack of resources, inadequate infrastructure and living conditions have rapidly eroded people's resilience. Refugee populations face specific vulnerabilities, including the loss of rights, social capital, assets, psychological distress, which affect their ability to seize livelihoods and other opportunities and can trap them in intergenerational cycles of poverty. In the Kurdistan region of Iraq, which hosts more than one million displaced and refugees, poverty rates have doubled and unemployment has trebled in some communities.¹³ In Jordan and Lebanon, heightened competition at the lower end of labor markets has placed downward pressures on wages pushing both Syrians and vulnerable hosts further into poverty. In 2014, 7 out of 10 registered Syrian refugees in Jordan and Lebanon could be considered as poor with numbers increasing to 9 out of 10 refugees if national poverty lines are used¹⁴. Young Jordanians and Lebanese as well as the working poor at large have been particularly affected at a time when their situation has become increasingly precarious. Worryingly, both countries witnessed a rise in child labor. In Lebanon, 10 percent of Syrian

⁶ <http://reliefweb.int/report/yemen/yemen-humanitarian-response-plan-january-december-2017>.

⁷ <http://reliefweb.int/report/iraq/iraq-2017-humanitarian-response-plan-advance-executive-summary>.

⁸ <http://reliefweb.int/report/yemen/yemen-humanitarian-response-plan-january-december-2017>.

⁹ IMF, 2016, The Economic Impact of conflicts and the refugee crisis in MENA; <https://www.imf.org/external/pubs/ft/sdn/2016/sdn1608.pdf>.

¹⁰ <https://www.humanitarianresponse.info/en/operations/whole-of-syria/document/2017-humanitarian-needs-overview-syrian-arab-republic>.

¹¹ The Syrian Center for Policy Research (SCPR) estimates that more than 60 percent of the labor force (about 3.5 million) is unemployed, with some 3 million having lost their jobs as a result of the conflict. SCPR also estimated the overall poverty rate in 2014 to be 83 percent (compared to 12.4 percent in 2007).

¹² PCBS 2012, http://www.pcbs.gov.ps/Portals/_pcbs/PressRelease/int_Pop_2012e.pdf page 3.

¹³ <http://reliefweb.int/report/iraq/iraq-2017-humanitarian-response-plan-advance-executive-summary>.

¹⁴ Verme, P.; Gigliarano, C.; Wieser, C.; Hedlund, K.; Petzoldt, M.; Santacroce, M. (2016). The Welfare of Syrian Refugees: Evidence from Jordan and Lebanon. World Bank and UNHCR, Washington D.C., January 2016.

refugee children are working.¹⁵ In Jordan in 2015, 47% of refugee households reported partial or full reliance on income generated by children, with the majority of working children working six or seven days a week.¹⁶

Conflicts are eroding the human capital of affected people at various stages of their lifetimes, with significant implications for the future prosperity and stability of the region as a whole. Conflict-affected children have been forced to interrupt their schooling trajectories, with dire consequences on their ability to attain the skills required for them to achieve their fully earning potential. 2.1 million children inside Syria are out of school and 500,000 are at risk of dropping out. The total economic loss due to dropouts has been estimated to be USD 10.67 billion, equivalent to about 17.6 per cent of the 2010 Syrian GDP.¹⁷ The educational deprivations facing conflict-affected young men and women, including the large cohorts of refugee youth, coupled with the shortage of employment and livelihoods opportunities are equally damaging, fueling feelings of frustration and exclusion with the attendant risk of triggering additional waves of conflict and violence, including violent extremism.¹⁸

Gender Inequality

Conflicts and displacement crises have also deepened gender inequalities, worsening marginalization and vulnerability of women and girls, including exposure to violence. Conflicts have restricted women and girls' mobility and their access to basic services and economic opportunities. Refugee women are facing particular challenges. In Lebanon, for instance, unemployment of Syrian women is estimated at 68%, while in Jordan the figure is at 83.3%.¹⁹ Reports of sexual violence such as rape, slavery and forced marriage have been on the rise in Syria, Yemen and Iraq as well as other conflict affected countries.²⁰

Economic Impacts

Though less documented, the economic impact of conflicts, violence and large scale, protracted displacement crises has also been massive, with far reaching spillover effects into neighboring countries and the region as a whole. In Syria alone, real GDP per capita²¹ in 2015 was estimated to be around 45 per cent lower than it would have been in the absence of conflict.²² This loss is estimated at nearly 23 per cent for Lebanon and around 8 per cent in Jordan. Yemen lost an estimated 25–35 percent of its GDP in 2015 alone, while in Libya, GDP fell by 24 percent in 2014 as violence picked up.²³ The

¹⁵ World Food Program, UNHCR, and UNICEF, "Vulnerability Assessment of Syrian Refugees in Lebanon: 2015 Report," World Food Program, December 2015, <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp280798.pdf>.

¹⁶ Save the Children and UNICEF: 2015; Small Hands Heavy Burden.

¹⁷ OCHA 2015. Syrian Arab Republic Humanitarian Response Plan 2016.

¹⁸ See for example ESCWA (2015), Trends and Impacts Issue 4, Protracted Conflict and Development in the Arab Region, which finds that there is a significant relationship between unemployment, lack of opportunities for youth, and conflict intensity in the Arab region.

¹⁹ Data reported in "European Commission Directorate-General for Economic and Financial Affairs, 2015. The Syrian Refugee Crisis: Labour Market Implications in Jordan and Lebanon; Lorenza Errighi, Jörn Griesse http://publications.europa.eu/resource/cellar/878f00db-4405-11e6-9c64-01aa75ed71a1.0001.02/DOC_2.

²⁰ OXFAM GB, 2016, Factsheet: Women, Peace and Security in the Middle East and North Africa region; http://iknowpolitics.org/sites/default/files/oxfam_women-peace-and-security-in-the-middle-east-and-north-africa-region-factsheet.pdf.

²¹ GDP per head of population, inclusive of net refugee numbers.

²² Frontier Economics and World Vision International, 2016 – The cost of conflict for children: Five years of the Syria Crisis March 2016 <http://www.wvi.org/sites/default/files/The%20Cost%20of%20Conflict%20for%20Children%20report%20-%20online%20version.pdf>.

²³ As reported in <https://www.imf.org/external/pubs/ft/sdn/2016/sdn1608.pdf>.

economies of West Bank and Gaza have been virtually stagnant over the past 20 years.²⁴ The economic losses due to the escalation of hostilities in Gaza in 2014 have been estimated at 1.7 billion in USD.²⁵

Conflicts have led to trade disruptions, which, alongside declining investor and consumer confidence have hurt the entire region. The process of regional trade integration has been undermined, with additional foregone benefits in terms of growth, economic diversification and job creation.²⁶

Public finances have been placed under severe stress as a result of declining revenue collection, increased spending pressures, as well as reduced external financing. In Yemen, for instance, the fiscal deficit widened to 11.4 % of GDP in 2015 from about 5 % of GDP in 2014, while public investment programs have been frozen.²⁷ In Libya, it rose from 43 % of GDP in 2014 to 75 % of GDP in 2015.²⁸ Fiscal challenges have also spilled over to neighboring countries, especially Lebanon and Jordan, as a result of increased expenditure on security and basic services to accommodate refugee populations.²⁹

Conflicts and security threats have triggered a rise in military expenditure, diverting resources that could be put to better use, such as investments to preserve living conditions of the most vulnerable. In 2014, military expenditure amounted to 4.2% of GDP in 2010. Not only was this the highest of all regions in the world, but it kept increasing and reached 5.6% in 2015. This is 2.6 times higher than the average for developing countries.³⁰

The region has also witnessed the emergence of so-called ‘war economies’. An estimated 17 percent of Syria’s active population is involved in the conflict-related economic activities, including sale of weapons, smuggling of food and essential products, and other criminal activities, with similar trends also emerging but to a lesser extent in Iraq, Libya, and Yemen.³¹

Social Cohesion

Conflicts have eroded trust in and the legitimacy of state institutions³² and undermined social cohesion across the region, exacerbating divides along income, ethnic, tribal, political or confessional lines.³³ Fragmentation effects are especially salient in Libya, Syria, and Yemen, undermining prospects for unified and broadly supported governments and political systems. The engagement of non-state actors in armed conflicts aggravates these trends. Non-state actors are operating across borders and adhere to different ideologies, including religious extremism that completely rejects “the other”. Such a trend is driving fragmentation and militarizing society while at the same time has greatly contributed to national disintegration. Most of non-state actors or militias are communal based (formed along ethnic or sectarian lines). They are competing for ‘resources’ while exacerbating the loss of loyalty to the nation. They are also reviving the role of tribe and sect, destroying inclusive public institutions. The absence or weakening of state institutions as well as raging civil wars, have also resulted in the dramatic

²⁴ 2015a. “Economic Monitoring Report to the Ad Hoc Liaison Committee.” Working Paper 96601, World Bank, Washington.

²⁵ State of Palestine. Ministerial Committee for the Reconstruction of Gaza, Detailed Needs Assessment (DNA) and Recovery Framework for Gaza Reconstruction (August 2015).

²⁶ World Bank, Economic Effects of the Syrian War and the Spread of the Islamic State on the Levant, 2.

²⁷ Yemens’ Economic Outlook- Spring 2016; <http://www.worldbank.org/en/country/yemen/publication/economic-outlook-spring-2016>.

²⁸ Libya’s Economic Outlook – Spring 2016; <http://www.worldbank.org/en/country/libya/publication/economic-outlook-spring-2016>.

²⁹ IMF, 2016, The Economic Impact of conflicts and the refugee crisis in MENA; <https://www.imf.org/external/pubs/ft/sdn/2016/sdn1608.pdf>.

³⁰ ESCWA, march 2017, background note; calculations based on data from SIPRI.

³¹ “Confronting Fragmentation!” Syrian Center for Policy Research.

³² Opinion polls such as the World Values Survey show that trust has declined in several countries of the region.

³³ http://carnegieendowment.org/files/Arab_World_Horizons_Final.pdf.

expansion of large swaths of ungoverned spaces, which have become hubs for illicit networks as well as extremist terrorist groups.³⁴

Social cohesion is also at stake in neighboring countries. In Lebanon, the refugee crisis has upset an already delicate social and political balance of power while amplifying pre-existing inter Lebanese sectarian divisions and spurring resentment against the Syrian refugees presence.³⁵ Tensions are particularly mounting in poor communities with high concentration of refugees and where pressures on services, labor markets and limited resources are highest.

Climate and Natural Resources

Climate and natural resources related stresses are compounding conflict-driven fragilities in the region. The Arab region is already the most water-scarce³⁶, the most food import-dependent³⁷, and climate change³⁸ has already affected development pathways and emerged as an important driver of instability, fragility and conflict in many parts of the region. In Syria, the drought that preceded the uprisings decimated the livelihoods of more than twenty percent of the rural population, internally displacing up to 1 million and exacerbating socio-economic vulnerabilities. The effects of climate change have also contributed to instability in Iraq, Sudan and Yemen.³⁹ Climate change has unprecedented impacts that disproportionately fall on the poorest and most vulnerable including the millions of displaced by conflict.

In conflict-affected areas, land and water resources have become polluted with toxic materials, undermining long term recovery prospects. The communities hosting refugees or IDPs are also witnessing land degradation, increased water insecurity, and other pressures on already fragile ecosystems. Water security, quality and access have become particularly pressing issues. In Jordan and Lebanon, the mass influx of refugees is leading to groundwater exhaustion.⁴⁰ Increased competition for water and other natural resources can also fuel violence and unrest.

³⁴ ESCWA, 2017, background note.

³⁵ see UNDP-UNHCR Joint Secretariat, 2015, “Regional trends and patterns of social cohesion”: the impact of the Syria crisis on the social structures of countries affected”, October.

³⁶ The region has only 1,110 m3 of renewable water per person per year far below world average of 6,617 m3, while water problems cost the region between 0.5-2.5% of GDP per year.

³⁷ The Arab region is already the world’s largest net importer of cereal, more prone than other regions to global market fluctuations and ecological change; The region has a net cereal import of approximately 58.2 million metric tons, with more than 50% of caloric intake already dependent on imports. import dependence is projected to increase a further 64% by 2030 if current trends continue, moving to 84 million metric tons by 2030.

³⁸ The Arab region is seeing temperatures rise faster than the global average, with many parts of the region now global climate risk hotspots. The region could see temperatures rise of 2°C by 2030 and 4°C by 2100.

³⁹ See <http://www.undp.org/content/undp/en/home/blog/2016/10/12/The-nexus-of-climate-change-and-conflict-in-the-Arab-region.html>. See also WANA Institute, 2015, The Correlates of Civil Conflict and Instability in the West Asia-North Africa Region “Knowledge from the region, action for the region, Conflict Resilience Model Background Paper.

⁴⁰ See for instance Lebanon Environmental Assessment of the Syrian Conflict & Priority Interventions – September 2014 (MOE/EU/UNDP); see also <http://static1.squarespace.com/static/522c2552e4b0d3c39ccd1e00/t/568d165340667a5449968a81/1452086867029/CVA.pdf>.