



2019-2020

Model Arab League

BACKGROUND GUIDE

Council of Economic Affairs

Ministers

ncusar.org/modelarableague

National
Council
on US-
Arab
Relations



Original draft by *Kathryn Frizzell*, Chair of the *Council of Economic Affairs Ministers* at the 2020 National University Model Arab League, with contributions from the dedicated staff and volunteers at the National Council on U.S.-Arab Relations

Honorable Delegates,

I would like to welcome you to the 2019-2020 Council of Economic Affairs Ministers. I am honored to be your chair this year. My name is Kathryn Frizzell. I am a junior at Converse College, and I am majoring in Psychology and Spanish and minoring in Political Science.

This is my third year participating in Model Arab League; this program offers many opportunities. Through this program, I have expanded my research abilities, developed negotiating skills, and listened to policy directly from government officials and world leaders. I hope you find a similarly positive experience through this program.

As chair, my responsibility is to facilitate the debating experience by ensuring that all rules and procedures are followed. I have put together this background guide, which should serve as a foundation for your research. I expect each delegate to conduct their own policy research, to stay in character during debate, and to remain diplomatic throughout the conference. Although debate can become heated, remember that this conference is meant to be an educational experience; I expect all delegates to compromise and work together to produce the best drafts possible.

I am looking forward to meeting each of you and hearing your creative ideas. I hope you all enjoy this educational experience.

Best wishes,

Kathryn Frizzell

Topic I: Developing economic opportunities and growth in current and post-conflict areas.

I. Introduction to the Topic

A. General Background

Violent conflicts have long-lasting consequences on economies. Even when the conflicts end, these economies suffer from long-term effects and become trapped in a cycle of strife. The countries that suffer from the lack of economic growth and employment opportunities usually experience the continuation of the cycle of conflict. This cycle has been seen in the Middle East and North Africa (MENA), in countries such as Iraq, Lebanon, Palestine, and Syria. In addition, countries such as Yemen and Libya experience continued economic decline as conflicts progress. The conflicts in these countries have led to the destruction of infrastructure and an increase in the number of displaced, unemployed, and disabled persons. The UN Refugee Agency reported that there were 65.6 million forcibly displaced persons, and 22.5 million refugees as a result of persecution, conflict, violence, or human right violations at the end of 2016.¹ Many of the current and post-conflict countries in the MENA region rely heavily on humanitarian aid for reconstruction and resources, but they must strive towards greater autonomy in order to revive their economies.²

In addition to the lack of economic opportunities in conflict countries, there needs to be economic measures to address the spillover effects of conflict in the region. Such effects include the destruction of infrastructure, the displacement of refugees, and increased unemployment, especially in countries that border countries in conflict, which makes the consequences of conflict in one country a priority of an entire region. Another result of conflict is the phenomenon called brain drain, which occurs when talented individuals leave their country to seek more opportunities and a better future elsewhere. According to the Middle East Eye, between 20 - 25% of young Arabs leave the region to find greater economic opportunities.³ Whether this brain drain occurs by voluntary migration or by displacement due to conflict, the region needs to take measures that incentivize these talented individuals to remain in the region in order to stimulate post-conflict economic recovery.

B. History in the Arab World

There are many examples of ‘conflict economies’ in the MENA region, but there are few successful models for reviving economies post-conflict. Iraq has taken many actions in an attempt to develop their economy after the Saddam Hussein dictatorship, including raising oil prices, which would usually stimulate the economy but the higher prices are being used for political gain rather than increasing sustainability. Iraq’s reliance on oil and a bloated public

¹ “Global Trends: Forced Displacement in 2016”, *The UN Refugee Agency*, 2017, <https://www.unhcr.org/5943e8a34.pdf>.

² “The Economics of Post-Conflict Reconstruction in MENA”, *The World Bank*, Apr. 2017, <http://documents.worldbank.org/curated/en/235401491413228678/pdf/114057-REPLACEMENT-PUBLIC-4-17-10-am-Online-MEM-SPRING-2017-FINAL.pdf>.

³ Reinl, J., “Arab ‘brain drain’ accelerates after Arab Spring: UN”, *Middle East Eye*, 08 May 2015, <https://www.middleeasteye.net/news/arab-brain-drain-accelerates-after-arab-spring-un>.

sector has hindered economic growth; however, there are avenues that the country has taken that have benefited the economy, such as raising taxes on imported goods. Currently, Iraq is relying on humanitarian aid, but it has vast oil resources that could be used to boost their economy while also helping to bring development to its rural areas, specifically regarding agriculture⁴. Many of the countries in conflict possess valuable, untapped resources, which could be used to boost their economies.⁵

Palestine's struggle for post-conflict economic recovery is a special case, because it has an occupied economy. Since the 1994 Paris Protocol, Palestine has experienced economic limitations, such as restricted goods transportation, strict control over tax collection, and restricted access to infrastructure.⁶ These limitations make it difficult for Palestinians to find jobs or even obtain the skills for jobs. Currently, there is a 52% unemployment rate in the Gaza Strip and West Bank.⁷ In 2007, the Palestinian Authority, the World Bank, and the British Department for International Development made the Palestinian Reform and Development Plan which introduced policies in an attempt to create economic opportunities in Palestine; however, this plan resulted in increased debt and a more damaged economy.⁸

Syria has been trying to rebuild, even as their civil war continues, but the government will take decades to rebuild their human capital⁹. The conflict in Syria has spillover effects in Turkey, Lebanon, Jordan, Iraq, and Egypt.¹⁰ These spillover effects are why cooperation in the region is crucial to addressing the economic results of conflict. There needs to be direct and preventative economic measures to address spillover effects in conflict regions.¹¹

⁴ Bandiera, L., Chandra, V., Fosque, J., von der Goltz, J., Peterburs, T. M., Piffaretti, N., Saba, J., & Wheeler, C.. "Jobs in Iraq: a primer on job creation in the short-term", *World Bank*, 15 Jun. 2018, <http://documents.worldbank.org/curated/en/255111529495871846/pdf/Jobs-in-Iraq-a-primer-on-job-creation-in-the-short-term.pdf>.

⁵ Hassan, S., "What happened to Iraq's economy post-US invasion", *Turkish Radio and Television Corporation World*, 10 May 2018, <https://www.trtworld.com/magazine/what-happened-to-iraq-s-economy-post-us-invasion--17357>.

⁶ Hawari, Y., "Money can't 'fix' Palestine's occupied economy", *Al Jazeera* 25 Jun. 2019, <https://www.aljazeera.com/indepth/opinion/money-fix-palestine-occupied-economy-190624180405267.html>.

⁷ "The World Bank in West Bank and Gaza", *World Bank*, 01 Apr. 2019, <https://www.worldbank.org/en/country/westbankandgaza/overview>

⁸ Hawari, Y., "Money can't 'fix' Palestine's occupied economy", *Al Jazeera* 25 Jun. 2019, <https://www.aljazeera.com/indepth/opinion/money-fix-palestine-occupied-economy-190624180405267.html>.

⁹ "The Economics of Post-Conflict Reconstruction in MENA", *The World Bank*, Apr. 2017, <http://documents.worldbank.org/curated/en/235401491413228678/pdf/114057-REPLACEMENT-PUBLIC-4-17-10-am-Online-MEM-SPRING-2017-FINAL.pdf>.

¹⁰ "Economic Effects of War and Peace in the Middle East and North Africa", *The World Bank*, 04 Feb, 2016, <https://www.worldbank.org/en/news/press-release/2016/02/03/economic-effects-of-war-and-peace-in-the-middle-east-and-north-africa>.

¹¹ Young, W., Stebbins, D., Frederick, B., & Al-Shahery, O., "The Conflict in Syria: Understanding and Avoiding Regional Spillover Effects", *Research and Development Corporation*, https://www.rand.org/pubs/research_briefs/RB9785.html.

C. Finding a Solution to the Problem: Past, Present, and Future

The private sector can be a good way to produce jobs, but in a current or post-conflict country, there is limited growth in the private sector; this is just one of the barriers that make it difficult to stimulate economic opportunities in conflict countries¹². Obstacles to private sector growth can be categorized into two types: internal and external. Internal obstacles include a lack of infrastructure, a high number of displaced persons, and external obstacles include sanctions and limited trade¹³. Any solution produced must either work around the barriers or address them directly. The reconstruction of destroyed infrastructure requires funding; however, any aid provided to these economies must have the goal of sustainability. Sustainability requires more long-term solutions and provides long-term benefits that can influence the economy of an entire region.¹⁴

Stimulated economic growth could tap into specific populations, through measures such as incentivizing displaced persons to return to their country to work. Some solutions could address the highly skilled and educated people who remained in the conflict country, but lack a job, which will prevent brain drain. On the other side, a solution could involve rebuilding the education sector to produce skilled labor that could rebuild the country, so long as mechanisms are in place to incentivize skilled labor to remain in-country. If a conflict country seeks to tap into the oil market, it requires infrastructure, expertise, and market access; countries could seek aid in these sectors from other countries in the Arab League that have specific expertise via the adoption of best practices. Throughout the process of reconstruction and revitalizing the economy, there needs to be a focus on equitable distribution of wealth in order to prevent further conflict¹⁵. As current and post-conflict countries seek to resolve the challenges produced by the strife, external forces preventing economic growth need to be addressed, such as difficulty in transporting aid and supplies. While addressing internal and external obstacles to post-conflict economic recovery, policies need to be examined that could lead to increased efficiency and growth of the economy.¹⁶ Multi-faceted solutions to post-conflict economies will stimulate growth and opportunities.

II. Questions to Consider in Your Research

- What policies limit post-conflict economic recovery, and how can these policies be altered to benefit conflict economies?

¹² Bandiera, L., Chandra, V., Fosque, J., von der Goltz, J., Peterburs, T. M., Piffaretti, N., Saba, J., & Wheeler, C.. "Jobs in Iraq: a primer on job creation in the short-term", *The World Bank*, 15 Jun. 2018, <http://documents.worldbank.org/curated/en/255111529495871846/pdf/Jobs-in-Iraq-a-primer-on-job-creation-in-the-short-term.pdf>.

¹³ Werman, A., "Syria: Economic impact of the war's next stage", *Global Risk Insights*, 10 Jan. 2019, <https://globalriskinsights.com/2019/01/economic-impact-syria-civil-war/>.

¹⁴ Strachan, A. L., "Changes in economic activity during and after conflict", *GSDRC*, 22 Mar. 2017, <https://gsdrc.org/wp-content/uploads/2017/10/Changes-in-economic-activity.pdf>.

¹⁵ Eaton, T., Mansour, R., Salisbury, P., Khatib, L., Cheng, C., & Yazigi, J., "Conflict Economies in the Middle East and North Africa", *Chatham House*, 25 Jun. 2019, <https://reader.chathamhouse.org/conflict-economies-middle-east-and-north-africa#>.

¹⁶ Strachan, A. L., "Changes in economic activity during and after conflict", *GSDRC*, 22 Mar. 2017, <https://gsdrc.org/wp-content/uploads/2017/10/Changes-in-economic-activity.pdf>.

- What are the internal and external obstacles preventing current and post-conflict countries from developing their economies?
- How has your country aided conflict countries in the past and how can it help them in the future?
- Can conflict countries revert back to the strengths of their pre-conflict economy, and if not, what other sectors can they focus on?
- Can conflict countries tap into the oil market, if so, how can my country help provide the expertise and infrastructure necessary?

III. Questions a Resolution Might Answer

- How can we ensure both short-term and long-term economic opportunities in current and post-conflict countries?
- In what way can we direct funding for infrastructure to result in greater economic growth?
- How can we utilize foreign investment to stimulate economic opportunities?
- How can we develop human capital and the sustainability of rural areas in current and post-conflict countries?

IV. Additional Resources

- [Rebuilding Syria: A Localized Revitalization Strategy](#)
The Atlantic Council gives a comprehensive overview of what is being done in post-war Syria and of what still needs to be accomplished. This document covers the importance of creating economic opportunities for youth in Syria and how they can begin to revive the economy.
- [Economic Costs of Post-Arab-Spring Civil Wars in the Middle East and North Africa](#)
IEMed provides an analysis of the impact of the 2011 Arab Spring on economies in the MENA region.
- [Rebuilding Iraq: Economic Reform and Transition](#)
Although lengthy, this document produced by the World Bank analyzes the situation in post-conflict Iraq and discusses the challenges ahead. This document discusses how to create jobs, improve the labor market, and other factors that impact economic growth.
- [Post-Conflict Economic Recovery: Enabling Local Ingenuity](#)
This report by the UN Refugee Agency provides an outline of the challenges of post-conflict economic recovery. It also analyzes possible actions to strengthen the recovery and potential policies that will benefit post-conflict economies.

- [Changes in economic activity during and after conflict](#)

The Governance and Social Development Resource Centre follows patterns seen in economies during and after conflict. This report covers areas for further economic improvement in the future.

Topic II: Discussing avenues for League-wide cooperation that would strengthen the region's cultural tourism industry, with special attention to facilitating the viability of the sector in face of political unrest and conflict.

I. Introduction to the Topic

A. General Background

The tourism sector has the potential to stimulate economies in many different ways. Investment in the tourism industry results in more jobs and infrastructure, and it is a valuable sector to focus on when diversifying an economy. Ideal tourism locations exhibit factors such as good geographical location, beautiful landscapes, religious significance, and heritage and historical significance.¹⁷ The MENA region contains several such locations that are ideal for tourism; however, the region also faces several barriers that limit the growth of the tourism industry. It is expected that the tourism industry in the MENA region will produce \$350 billion USD in revenue by 2027; however, this revenue is concentrated within certain countries in the region, whereas other countries receive only a small share¹⁸. The region as a whole faces political unrest, inadequate infrastructure, and incapable security measures.

The most prominent barrier is the fear of sudden and unexpected unrest and conflict in the region, specifically since the Arab Spring in 2011. The conflicts that were produced by the Arab Spring aided some countries in making political reforms, but other countries experienced negative results from the phenomenon. The changing political environment in some countries has led to negative preconceptions of security in the region and has caused many hotels and tour companies to shut down in the region¹⁹.

Another factor that influences tourists' perceptions of the MENA region is terrorism. A RAND Corporation and European Parliament report showed that terrorism has a significant impact on GDP in Europe.²⁰ Currently, there is no similar study that specifically focuses on the MENA region, but the results would likely be similar. The MENA region is particularly susceptible to these perceptions – a 2017 report from the Institute for Economics & Peace demonstrated that the MENA region had the sharpest increase of terrorism in the past 15 years.²¹ Terrorist attacks lead to destroyed infrastructure, heritage sites, and artifacts, which limits opportunities for

¹⁷ Mustafa, M. H., "Tourism and Globalization in the Arab World", *International Journal of Business and Social Science*, Oct. 2010, <http://www.ijbssnet.com/journals/4.pdf>.

¹⁸ Malek, C., "Tourism grows in MENA region with Dubai drawing one-third of foreign tourism receipts", *The Arab Weekly*, 23 Sept. 2018, <https://the arabweekly.com/tourism-grows-mena-region-dubai-drawing-one-third-foreign-tourism-receipts>.

¹⁹ McMahon, S., "Why Travelers Are Flocking to the Middle East", *Smarter Travel*, 12 Feb. 2018, <https://www.smartertravel.com/middle-east-travel-rebound/>.

²⁰ "The Cost of Terrorism in Europe," RAND Europe, *RAND Corporation*, 2018, <https://www.rand.org/randeuropa/research/projects/the-cost-of-terrorism-in-europe.html>

²¹ "Global Terrorism Index: 2017," *Institute for Economics & Peace*, 2017, <http://visionofhumanity.org/app/uploads/2017/11/Global-Terrorism-Index-2017.pdf>

tourism attractions.²² The League needs to cooperate in order to improve the perception of the region as a whole, which will benefit the tourism sector throughout the region and stimulate economic growth.

B. History in the Arab World

Although political conflict and unrest in the MENA region has stunted growth in the tourism industry, there are some countries that have made tourism one of their top priorities for economic development. Saudi Arabia's Saudi Vision 2030 plans to develop their Tourism and Travel sector by investing in more attractions, more efficient visa procedures, and developing historical and heritage sites²³. Saudi Arabia created the Saudi Public Investment Fund and the Ministry of Culture to focus their funds and initiatives on infrastructure and attractions for tourism.²⁴ The United Arab Emirates (UAE) is another country that has made the tourism industry a priority, specifically in Dubai. The UAE has utilized funds to create modern infrastructure and attractions to draw in tourists. Many of the renovations that have taken place were the result of creative campaigns and initiatives launched and supported by the UAE government. In addition, the UAE eased visa regulations and made the process more efficient.²⁵ Tourism in the UAE is an example of combining the beautiful landscape in the MENA region with newer attractions.

MENA countries have been developing their tourism industry to be more competitive; Oman is one of these countries. The Omani Ministry of Tourism and The International Union for Conservation of Nature have collaborated on a project to strengthen governmental and institutional capacities in regards to the tourism industry. The project focuses on involving local communities and aligning the tourism industries with local traditions and values. This project has resulted in great success and less resistance from the local communities to the tourists.²⁶ Part of Oman's success is due to fewer consequences suffered by the 2011 Arab Spring; other MENA countries were not so lucky.

Several MENA countries have been trying to develop their tourism industry despite political unrest, including Egypt and Tunisia²⁷. Egypt is one of the member states whose tourism sector suffered from the events of the Arab Spring in 2011. However, Egypt's tourism industry has recently improved due to a better currency exchange rate and a focus on involving the locals in

²² Ward, A., "Why We Should Measure the Economic Impact of Terrorism in the Middle East", *Research and Development*, 21 Sept. 2018, <https://www.rand.org/blog/2018/09/why-we-should-measure-the-economic-impact-of-terrorism.html>.

²³ Saudi Gazette, "Full text of Saudi Arabia's Vision 2030", *Al Rabiya*, 26 Apr. 2016, <https://english.alarabiya.net/en/perspective/features/2016/04/26/Full-text-of-Saudi-Arabia-s-Vision-2030.html>.

²⁴ Newton, K., "Can Saudi Arabia become a tourism destination?", *Middle East Institute*, 05 Apr. 2019, <https://www.mei.edu/publications/can-saudi-arabia-become-tourism-destination>.

²⁵ "Tourism grows in MENA region with Dubai drawing in one-third of foreign tourism receipts," *Arab Weekly*, 23 Sept. 2018, <https://theArabweekly.com/tourism-grows-mena-region-dubai-drawing-one-third-foreign-tourism-receipts>

²⁶ Eltayeb, M., "Boosting ecotourism in Oman", *International Union for Conservation of Nature*, 01 Jul. 2011, <https://www.iucn.org/content/boosting-ecotourism-oman>.

²⁷ Malek, C., "Tourism grows in MENA region with Dubai drawing one-third of foreign tourism receipts", *The Arab Weekly*, 23 Sept. 2018, <https://theArabweekly.com/tourism-grows-mena-region-dubai-drawing-one-third-foreign-tourism-receipts>.

order to develop local capacities.²⁸ The Egyptian government increased investment in the tourism sector in order to stimulate the job market and benefit local economies; this investment came with a special focus on preserving sites, not just from people, but also from environment damage.²⁹

Tunisia provides another example of how a member state can overcome unrest in the region and improve the tourism sector. Tunisia suffered two terrorism attacks, a gun attack on a beach in Sousse and one at the Bardo National Museum in Tunis. After these attacks, tourism rates dropped significantly in Tunisia. In order to revitalize their tourism sector, Tunisia focused on creating a more secure environment and increasing cooperation with other countries to bring back the hotels and tour companies. The World Tourism Organization found a 23.2% increase in tourists traveling to Tunisia from 2016 to 2017 alone.³⁰ Tunisia is proof that the region can overcome unrest and develop an internationally competitive tourism industry.³¹

Although various countries in the MENA region have successfully improved their tourism industry, there have been unsuccessful examples. When the civil war broke out in Syria in 2011, the economy took a sharp downturn. In 2011, Syria hosted 8.5 million tourists, and in 2014, it only hosted 400,000 tourists.³² Syria attempted to utilize a series of YouTube videos to showcase its beautiful landscapes, though this attempt was not as successful as Syria had hoped it would be. Although the severity of the civil war has decreased, there is still considerable unrest which wards off potential tourists, and Syria continues to experience terrorist attacks at a rate higher than in Western Europe and much of the Middle East.³³ Some MENA countries have had greater success in developing tourism than others, but the region as a whole can benefit from collaborating to improve the industry.

C. Finding a Solution to the Problem: Past, Present, and Future

There are several factors that prevent certain countries in the MENA region from developing their tourism industry, including terrorism, lack of infrastructure, political unrest, inadequate security measures, and poor or disruptive policies. Increased security measures would address the issues of terrorism and political unrest, making tourists feel more secure when visiting the region. The UAE has maintained focused on better security throughout the process of developing

²⁸ Jacobs, H., "I'm convinced Egypt could be the greatest tourist destination in the world if it weren't for a troubling pattern that nearly ruined my trip" *Business Insider*, 27 Dec. 2018, <https://www.businessinsider.com/egypt-tourism-industry-leaves-tourists-frustrated-2018-12>.

²⁹ "Economic Growth and Tourism", *USAID*, 14 Jun. 2019, <https://www.usaid.gov/egypt/economic-growth-and-tourism>.

³⁰ "Tunisia tourism sector makes flying start to 2019", *Arab News*, 20 Apr. 2019, <http://www.arabnews.com/node/1485426/business-economy>.

³¹ Stewart, A., "Tunisia's tourism industry starts to shine again", *The National*, 16 Nov. 2018, <https://www.thenational.ae/business/travel-and-tourism/tunisia-s-tourism-industry-starts-to-shine-again-1.791978>.

³² Taylor, Adam. "Syria's message to tourists: Come back, enjoy our beaches," *Washington Post*, 02 Sept. 2016, <https://www.washingtonpost.com/news/worldviews/wp/2016/09/02/syrias-message-to-tourists-come-back-enjoy-our-beaches/?noredirect=on>

³³ Ward, A., "Why We Should Measure the Economic Impact of Terrorism in the Middle East", *Research and Development*, 21 Sept. 2018, <https://www.rand.org/blog/2018/09/why-we-should-measure-the-economic-impact-of-terrorism.html>.

tourism in the country, which has made tourists feel more secure when traveling and participating in cultural events; this practice needs to be replicated in other countries that seek to develop their tourism industry. There are policies, however, that need to be investigated which contribute to limited real estate, inefficient procedures, and limited options for infrastructure. Saudi Arabia has been able to act quickly to fix detrimental policies because King Salman bin Abd al-Aziz Saud, and Crown Prince, Muhammad Bin Salman, have streamlined the processes for building infrastructure and obtaining a visa. If the tourism industry is to become stronger and more viable, there needs to be a greater shift of investment towards government-led initiatives in this sector.³⁴

While certain Arab League states have made strides in the expansion of their respective tourism industries, the aforementioned examples demonstrate how the lion share of tourism remains concentrated in wealthy, relatively conflict-free nations — typically in the Gulf — while much of the rest of the region still struggles to alleviate factors that deter or inhibit tourism outside of these cores. It will be the challenge of this Council to examine methods for League-wide cooperation to share resources, policies, and government oversight that would allow all member states to enjoy the economic gains of revitalized and resilient tourism industries.

II. Questions to Consider in Your Research

- What policies or practices are limiting growth in the tourism industry in your country?
- Does your country have a vision or plan that includes tourism, and if so, how does it align with those of other member states?
- Does your country have historical or heritage sites that can be used as tourism sites, and if not, what attractions could be built to draw in tourists?
- What funds does your country have that go toward the tourism industry and where is increased funding needed?

III. Questions a Resolution Might Answer

- How can the League share best practices and collaborate to boost tourism in the region?
- How can the League utilize communication and cooperation between ministries and governments to increase international tourism and intraregional tourism in the region?
- How can the League ensure a more secure climate to support a growing tourism industry?

³⁴ Malek, C., “Tourism grows in MENA region with Dubai drawing one-third of foreign tourism receipts”, *The Arab Weekly*, 23 Sept. 2018, <https://thearabweekly.com/tourism-grows-mena-region-dubai-drawing-one-third-foreign-tourism-receipts>.

- How can member states make travel to and in the region more accessible and appealing to those within and outside the region?

IV. Additional Resources

- [Travel and Tourism Competitiveness Report 2017: Middle East and North Africa results](#)

The World Economic Forum provides a report that highlights the successes various member states have had in boosting the tourism industry. In addition, it provides charts for comparison to see where various countries in the region stand in relation to each other.

- [Tourism in the MENA Region](#)

The United Nations World Tourism Organization provides an analysis of statistics and data to evaluate tourism in the region. This document emphasizes what types of strategies will be beneficial in the long run.

- [The Importance of the MENA Region to the Tourism Industry](#)

The Travel Technology & Solutions organization highlights the areas where the United Arab Emirates has had success in boosting their tourism industry, and it discusses the importance of modernizing tourism.

- [The Middle East - a tourism success story like no other](#)

The Arabian Travel Market discusses various attractions that are popular with tourists and the changes that the United Arab Emirates has made that has brought in more tourists.

Topic III: Addressing issues of energy poverty within Member States and considering methods to expand energy access throughout the MENA region.

I. Introduction to the Topic

A. General Background

Energy poverty is defined by a lack of access to modern energy services, which is a globally relevant issue.³⁵ The gaps of energy access exist between countries, income groups, and urban versus rural areas. Within the energy sector, there is a heavy reliance on fossil fuels, but more steps are being taken to diversify energy; the future of energy lies in renewable resources and other sources of power, such as wind and solar. The World Bank has found a positive correlation between energy access and water access, called the water-energy nexus – the idea being that abundant electricity and water resources in rural areas produces economic activity.³⁶ The World Bank also discovered that high or unstable oil prices affect water access since the price of oil has a big influence on subsidies and power cuts.³⁷ Various studies conducted by the World Bank have found that one of the biggest drains on resources that is preventing increased water access is poor efficiency of electricity facilities; this is an issue that can even be addressed in the countries that have higher levels of energy access.³⁸

Energy poverty is an extensive issue in many countries in the MENA region; about 40 million people in the region still lack access to electricity.³⁹ Some common causes of energy poverty in the region are geography, political unrest, income inequality, uneven distribution of land, and energy subsidies⁴⁰. Most literature on energy access within the MENA region divide countries into two categories: energy exporters and energy importers; however, even within the biggest exporters of energy, there are access gaps, especially in the rural areas. The region is experiencing, and will continue to experience, an increasing demand for energy, which will impact energy access.⁴¹

B. History in the Arab World

³⁵ “Glossary”, *International Energy Agency*, 2019, <https://www.iea.org/about/glossary/e/>.

³⁶ Stewart-Wilson, G., “The Middle East & North Africa Access to Energy Research Brief”, *The Discourse*, 19 Apr. 2016, <https://www.thediscourse.ca/energy/middle-east-north-africa-access-energy-research-brief>.

³⁷ Yamouri, N., “Energy in MENA”, *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0_CO-46.HTM.

³⁸ “Meeting the Future Demand for Electricity in the Arab World”, *The World Bank*, 15 Nov. 2017, <https://www.worldbank.org/en/news/press-release/2017/11/15/meeting-the-future-demand-for-electricity-in-the-arab-world>.

³⁹ “Access to electricity: % of population.” *World Bank*, 2017, <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=1A>

⁴⁰ Cormier, C., “Why are Arab countries experiencing energy shortages?”, *World Economic Forum*, 06 Aug. 2015, <https://www.weforum.org/agenda/2015/08/why-are-arab-countries-experiencing-energy-shortages/>.

⁴¹ Menichetti, E., El Gharras, A., & Karbuz, S., “Material Factors for the MENA Region: Energy Trends”, *Middle East and North Africa Regional Architecture*, Nov. 2017, http://www.iai.it/sites/default/files/menara_wp_5.pdf.

As a whole, the region has devoted GDP investments towards resolving this energy poverty; however, a World Bank study showed that 3% GDP investments across the region are needed to resolve the region's goal of renewable energy capacity by 2030.⁴² Currently, the GCC countries are some of the biggest energy producers and exporters; however, these countries are also experiencing the highest energy demand growth rates. This has already caused the UAE and Saudi Arabia to become natural gas importers. In response to the increasing energy demand, Saudi Arabia adjusted policies to focus investments on buildings, appliances, and transport — three areas that impact the daily functioning of society. Many non-GCC countries depend on foreign resources. For example, the dependence rate (proportion of energy that an economy has to import) in Jordan, Lebanon, and Morocco is more than 90%.⁴³ The need for energy sustainability in the region is evident; many countries in the MENA region have the resources that could allow them to be energy exporters. Yemen has one of the highest rates of energy poverty in the region; only 54% of households in Yemen had access to energy in 2011.⁴⁴ Yemen attempted to implement subsidies, but that only resulted in limited investment in infrastructure. Yemen's energy sector struggles specifically because of inefficiency, lack of infrastructure, and limited access in rural areas.

Morocco has taken several steps towards improving energy access within its borders. Morocco modified policies with the aim of saving energy to increase efficiency in the future.⁴⁵ In addition, the country has moved towards a greater reliance on renewable energy and solar power through developing infrastructure and local industry.⁴⁶ In order to develop energy access within its country, Morocco became involved in various World Bank initiatives. Morocco has acknowledged the link between water access and energy access and has utilized the Thirsty Energy initiative, spearheaded by the World Bank, which aims to improve water and energy access.⁴⁷ In addition, Morocco utilizes aid from the World Bank's Climate Investment Fund and the Clean Technology Fund, which ensures that the energy sector advances towards clean energy.⁴⁸

C. Finding a Solution: Past, Present, and Future

The World Bank has implemented several initiatives in the MENA region to combat energy poverty with the goal of greater collaboration in the region. The creation of a new electricity

⁴² Yamouri, N., "Energy in MENA", *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0_CO-46.HTM.

⁴³ Menichetti, E., El Gharras, A., & Karbuz, S., "Material Factors for the MENA Region: Energy Trends", *Middle East and North Africa Regional Architecture*, Nov. 2017, http://www.iai.it/sites/default/files/menara_wp_5.pdf.

⁴⁴ El-Katiri, L., & Fattouh, B., "Energy Poverty in the Arab World: The Case of Yemen", *The Oxford Institute for Energy Studies*, Aug. 2011, https://www.oxfordenergy.org/wpcms/wp-content/uploads/2011/08/MEP_1.pdf?v=7516fd43adaa.

⁴⁵ "Energy policies can strengthen economies of Middle East and North Africa", *International Energy Agency*, 27 Dec. 2012, <https://www.iea.org/newsroom/news/2012/december/energy-policies-can-strengthen-economies-of-middle-east-and-north-africa.html>.

⁴⁶ "Middle East & North Africa", *International Renewable Energy Agency*, 2018, <https://www.irena.org/mena>.

⁴⁷ Stewart-Wilson, G., "The Middle East & North Africa Access to Energy Research Brief", *The Discourse*, 19 Apr. 2016, <https://www.thediscourse.ca/energy/middle-east-north-africa-access-energy-research-brief>.

⁴⁸ Yamouri, N., "Energy in MENA", *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0_CO-46.HTM.

database connects sixty-seven electricity utilities in fourteen countries in the region. This database allows countries to communicate on sharing best practices and improving their facilities.⁴⁹ Another organization that has been working to improve energy access in the MENA region is the International Renewable Energy Agency (IRENA). IRENA has created two assessments that inform participating countries of what can be implemented that will most benefit each country; these two assessments are the Renewables Readiness Assessments and the Renewable Energy Roadmaps.⁵⁰ In addition, IRENA created the Pan-Arab Clean Energy Initiative (PACE), with the purpose of driving renewable energy deployment.⁵¹

The issue of water poverty needs a multi-faceted solution in order to combat this issue across the region. Information campaigns can be useful, especially in rural areas. The development of energy infrastructure, again with a focus on rural areas, could improve energy access.⁵² More funds and initiatives could be implemented with increased GDP investments, when possible. A solution could include a framework for stabilizing oil prices in the region for states that rely on stable supplies. Renewable energy and greater water access are the future of energy access. Countries in the region should look to other member states that have had success in the past with increasing access to renewable energy and water.⁵³ Another aspect of energy access is private sector participation in energy production, which has had success in other countries in Asia.⁵⁴ Any solution to address energy access in the MENA region — including environment, policies, institutions, strategic planning, regulations, and incentives that enable greater energy access — must support on-grid or off-grid districts.⁵⁵

II. Questions to Consider in Your Research

- Is there limited energy access in your country, and if so, what are the causes for this limited access?
- Is your country participating in any initiatives spearheaded by international organizations, and if not, could your country participate in these initiatives?
- Has your country had success in expanding energy access, and if so, how can your country share its best practices?

⁴⁹ “Meeting the Future Demand for Electricity in the Arab World”, *The World Bank*, 15 Nov. 2017, <https://www.worldbank.org/en/news/press-release/2017/11/15/meeting-the-future-demand-for-electricity-in-the-arab-world>.

⁵⁰ “Middle East & North Africa”, *International Renewable Energy Agency*, 2018, <https://www.irena.org/mena>.

⁵¹ “Pan-Arab Clean Energy Initiative”, *International Renewable Energy Agency*, 2018, <https://www.irena.org/mena/Pan-Arab-Clean-Energy-Initiative>.

⁵² Stewart-Wilson, G., “The Middle East & North Africa Access to Energy Research Brief”, *The Discourse*, 19 Apr. 2016, <https://www.thediscourse.ca/energy/middle-east-north-africa-access-energy-research-brief>.

⁵³ Yamouri, N., “Energy in MENA”, *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0__CO-46.HTM.

⁵⁴ Cormier, C., “Why are Arab countries experiencing energy shortages?”, *World Economic Forum*, 06 Aug. 2015, <https://www.weforum.org/agenda/2015/08/why-are-arab-countries-experiencing-energy-shortages/>.

⁵⁵ “Access to Energy is at the Heart of Development”, *The World Bank*, 18 Apr. 2018, <https://www.worldbank.org/en/news/feature/2018/04/18/access-energy-sustainable-development-goal-7>.

- Are there discrepancies in regard to energy access in your country, and if so, where are they?
- Would your country benefit more from on-grid or off-grid solutions? What is the financial feasibility of these solutions being implemented in rural and poor communities in your country?

III. Questions a Resolution Might Answer

- How can the League expand the initiatives spearheaded by the World Bank, IRENA, and the RCEEE?
- How can the League increase GDP investments throughout the region towards increased energy access?
- How can the League decrease the disparities of energy poverty between countries, income groups, and urban and rural areas?
- How can the League move towards an increased use of renewable energy?

IV. Additional Resources

- [Shedding Light on Electricity Utilities in the Middle East and North Africa](#)
Although lengthy, this document from the World Bank provides valuable information regarding the state of energy in the MENA region. It also takes a closer look at individual countries' needs in regards to the energy sector, infrastructure, and barriers to energy access and efficiency via case studies.
- [Water and Energy Linkages in the Middle East](#)
The Stockholm International Water Institutes discusses the link between water and energy in the MENA region. This report discusses the current status of water and energy in the region and what next steps could be taken to improve access to both resources.
- [Pan-Arab Renewable Energy Strategy 2030](#)
This document is the strategy produced through the cooperation between IRENA, the League of Arab States, and the RCREEE. It outlines the status of renewable energy in the MENA region and a roadmap to accomplish the regional goal for renewable energy by 2030.
- [Regional Center for Renewable Energy and Energy Efficiency](#)
The Regional Center for Renewable Energy and Energy Efficiency is located in Cairo, Egypt and has initiated various projects in the MENA region. The purpose of these projects is to invest in the move towards renewable energy.

Topic IV: Discussing the regulatory environment and developing League-wide investment strategies to address the region's growing infrastructural needs, with special attention to key sectors, such as transportation, public services, and environmental technology.

I. Introduction to the Topic

A. General Background

The regulatory environment of a particular government has a great influence on the management and development of economic sectors. Regulation of a sector is when government controls the decisions and actions of enterprises within that sector; independent regulation is when a non-governmental body controls the sector.⁵⁶ One aspect of the sectors that these regulators usually have particular control over is the infrastructure. There are various sectors where the infrastructural need is immense, such as the energy, water, health, public services, technology, and transportation sectors. These sectors are all vital to economic growth because they produce vast benefits, result in substantial profit, and are critical to the daily functioning of society.⁵⁷

The MENA region has an increasing infrastructural need due to damaged or outdated projects. Conflict within the region, especially since the 2011 Arab Spring, has damaged infrastructure and prevented certain countries from updating their infrastructure and regulatory environment. Many countries in the region have included the development of the transport sector and public services in a strategic plan, but environmental technology needs to be given more attention. The transport sector is given a lot of support because it creates jobs, encourages regional integration, connects markets, and leads to access of public services^{58,59}; however, the public services and environmental technology sectors can also produce long-term benefits. The public services sector also creates jobs and stimulates economic growth.⁶⁰ The environmental technology sector ensures that any development in regards to energy will be beneficial in long-term and focus on clean technology.⁶¹ Developing infrastructure in the transportation, public services, and environmental technology sectors will increase sustainability in the MENA region.⁶²

⁵⁶ Brown, A. C., Stern, J., Tenebaum, B., & Gencer, D., "Evaluating Infrastructure Regulatory Systems", *The World Bank*, 2006, <http://siteresources.worldbank.org/EXTENERGY/Resources/336805-1156971270190/HandbookForEvaluatingInfrastructureRegulation062706.pdf>.

⁵⁷ Rice, J., "Why infrastructure is key to a stable Middle East", *World Economic Forum*, 23 May 2015, <https://www.weforum.org/agenda/2015/05/why-infrastructure-is-key-to-a-stable-middle-east/>.

⁵⁸ Yamouri, N., "Transport in MENA", *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0_CO-50.HTM.

⁵⁹ Ives, D., Hoscheidt, M. M., Jaeger, B., & Tocchetto, J. S., "Infrastructure investments in the Middle East & North Africa", *UFRGSMUN*, <https://www.ufrgs.br/ufrgsmun/2013/wp-content/uploads/2013/10/Infrastructure-investments-in-the-Middle-East-North-Africa.pdf>.

⁶⁰ Btedini, L., & Heidenhof, G., "Governance and Public Sector employment in the Middle East and North Africa", *The World Bank*, 05 Sept. 2012, <https://blogs.worldbank.org/arabvoices/governance-and-public-sector-employment-middle-east-and-north-africa>.

⁶¹ "Environment Sector Brief", *The World Bank*, 2013, http://web.worldbank.org/archive/website01418/WEB/0_CO-47.HTM.

⁶² Rao, N., & Gupta, S., "Regulatory Framework for Infrastructure", *Asian Development Bank*, 2006, <https://www.adb.org/sites/default/files/publication/30106/inrm8.pdf>.

B. History in the Arab World

The infrastructural needs of the MENA region have been present throughout its history, often due to conflict and unrest in the region. War-devastated countries often struggle with initiating the necessary investments into infrastructure and rely on humanitarian aid and funding.⁶³ Although the Arab Fund for Social and Economic Development exists, this fund is not always sufficient for long-term results.⁶⁴ There are great disparities in the quantity and quality of infrastructure between urban and rural areas in the region, and between countries.⁶⁵ There are various initiatives and policy changes that are going to influence the infrastructural needs of countries in the MENA region, such as the movement towards privatization. In the past, the regulation of infrastructure investments and projects was left to governments; however, this process has become inefficient and is often not made a priority.⁶⁶ As a result of inefficient management and regulation, the MENA region is experiencing a movement towards independent regulation and privatization, specifically in Morocco. Morocco recently opened the electricity sector to private investment of infrastructure initiatives in the region.⁶⁷ Other member states might follow Morocco's example.

Another factor that is changing the economic landscape of the Arab world is the Hijaz Railway. In 2015, Jordan attempted to launch a national railway project, but it fell through. As of 2018, another agreement was reached and the project will continue. The project aims to create a railway system that will connect major locations in Jordan, especially Aqaba, to major locations in Syria, Iraq, Saudi Arabia, and Turkey.⁶⁸ Another initiative that will impact infrastructure within the MENA region is the Belt and Road Initiative. China has already made agreements with Saudi Arabia, the Republic of the Sudan, Iraq, Oman, Qatar, Kuwait, Lebanon, Egypt, and Morocco and has begun to invest in industrialization in the region, with specific focus on infrastructure in these countries.⁶⁹ With these new initiatives taking place in the region, the infrastructural needs of the region need to be continually reassessed.

C. Finding a Solution: Past, Present, and Future

Any League-wide investments in infrastructure projects need to produce long-term benefits. In order to do so, the quality, as well as the quantity, of the infrastructure in the region needs to be assessed. There are many sectors where the infrastructure and resources need to be modernized

⁶³ Larbi, H., "Connecting Countries to Stabilize the Middle East", *Middle East Institute*, 07 Jun. 2016, <https://www.mei.edu/publications/connecting-countries-stabilize-middle-east>.

⁶⁴ Ives, D., Hoscheidt, M. M., Jaeger, B., & Tocchetto, J. S., "Infrastructure investments in the Middle East & North Africa", *UFRGSMUN*, <https://www.ufrgs.br/ufrgsmun/2013/wp-content/uploads/2013/10/Infrastructure-investments-in-the-Middle-East-North-Africa.pdf>.

⁶⁵ Yamouri, N., "Transport in MENA", *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0_CO-50.HTM.

⁶⁶ Rao, N., & Gupta, S., "Regulatory Framework for Infrastructure", *Asian Development Bank*, 2006, <https://www.adb.org/sites/default/files/publication/30106/inrm8.pdf>.

⁶⁷ Rice, J., "Why infrastructure is key to a stable Middle East", *World Economic Forum*, 23 May 2015, <https://www.weforum.org/agenda/2015/05/why-infrastructure-is-key-to-a-stable-middle-east/>.

⁶⁸ Bazian, A. R., "Ministry prepared to resume freight railway plan", *The Jordan Times*, 26 Aug. 2018, <http://www.jordantimes.com/news/local/ministry-prepared-resume-freight-railway-plan>.

⁶⁹ Lin, L., "Belt and Road makes good progress in Arab world", *China Daily*, 09 Apr. 2019, http://www.chinadaily.com.cn/global/2019-04/09/content_37456264.htm.

or updated.⁷⁰ Member states need to develop solid frameworks and ensure that policies and regulations are enforced. Individual member states could include targeted infrastructure development aimed at the transportation, public services, and environmental technology sectors in their strategic plans or visions. The efficiency and effectiveness of the regulatory environment needs to be discussed, and perhaps updated.⁷¹ With any solution, the goal needs to be greater integration. Member states could provide subsidies towards the railway project in Jordan, given that those subsidies cannot come from the Jordanian government. In addition, member states could collaborate on ways to manage the money that will come from the Belt and Road Initiative in order to further develop these sectors. Cooperation among member states on solutions to the infrastructural needs in the region is crucial for long-term results.⁷²

II. Questions to Consider in Your Research

- What sectors in your country have the greatest infrastructural needs?
- How has your country cooperated with other member states in the past? How can the cooperation be expanded or initiated?
- Does your country have any policies or frameworks that address the infrastructural needs in my country?
- Has your country considered privatization or independent regulation, and if not, should it?

III. Questions a Resolution Might Answer

- What, if any, changes need to be made to improve the regulatory environment?
- How can the League utilize investment to improve the quality of infrastructure in the region?
- How can Member States integrate strategic planning and investments into infrastructure projects?
- How can the League provide aid for rebuilding infrastructure in war-devastated member states?

IV. Additional Resources

⁷⁰ Yamouri, N., “Transport in MENA”, *The World Bank*, Sept. 2010, http://web.worldbank.org/archive/website01418/WEB/0_CO-50.HTM.

⁷¹ Rao, N., & Gupta, S., “Regulatory Framework for Infrastructure”, *Asian Development Bank*, 2006, <https://www.adb.org/sites/default/files/publication/30106/inrm8.pdf>.

⁷² Larbi, H., “Connecting Countries to Stabilize the Middle East”, *Middle East Institute*, 07 Jun. 2016, <https://www.mei.edu/publications/connecting-countries-stabilize-middle-east>.

- [Infrastructure in the Middle East, North Africa, Caucasus, and Central Asia: Getting Bigger Bang for the Buck](#)

Although concise, this document from the International Monetary Fund emphasizes the importance of efficiency in infrastructure and investment. In addition, it highlights the efficiency gaps that currently exist in the region's investments in infrastructure.

- [Infrastructure and Employment Creation in the Middle East and North Africa](#)

The World Bank provides this document, which discusses the current state of infrastructure in the region and the future needs of infrastructure. It also includes policy implications that could influence infrastructure in the region.

- [Strategic Transport Infrastructure Needs to 2030](#)

The Organization for Economic Cooperation and Development provides a report that discusses the need for infrastructure in specific sectors and explores possible funding options.

- [Regional Infrastructure Cooperation: Connecting Countries to Stabilize the Middle East](#)

The Middle East Institute's policy paper emphasizes the importance of cooperation within the MENA region for the best results. In addition, it discusses cooperation within specific sectors.