Coronavirus in Arab countries: passing storm, opportunity for change or regional catastrophe?

Haizam Amirah-Fernández | Senior Analyst for the Mediterranean and Arab World at Elcano Royal Institute and Professor of International Relations at IE School of Global and Public Affairs | @HaizamAmirah

Theme
The COVID-19 pandemic is shaking the Arab countries hard. This paper analyses the regional context, government responses, possible economic and social implications, how this may affect political regimes and the risks for neighbouring countries, as well as some opportunities that may arise to resolve problems and conflicts that run through this complex region.

Summary
The COVID-19 pandemic has spread around the world at a time when the Arab region is under great pressure of various kinds. The responses of the Arab States to the threat of the new coronavirus, added to the international context that the pandemic is generating, have the potential to aggravate some of the existing problems. The current global emergency could turn socio-economic challenges into political crises and intensify the demands for change that are spreading through various countries in the Middle East and the Maghreb. Until an effective vaccine against the pandemic is made available, the economic and social cost of the drastic restrictions being imposed by Arab governments may be overwhelming and, ultimately, unbearable.

Analysis
A region ill-prepared for a pandemic
Although there are major differences between the 22 Arab countries in terms of their health systems and the resources available in the face of a pandemic, the region as a whole is ill-prepared to deal with the impact of a contagious and deadly disease that is spreading around the world. Most of the 435 million Arabs live in countries where the health services provided by the State are scarce, very poor or practically non-existent. The causes are linked to the lack of material resources, the high public spending in other areas such as defence, the dysfunctions of State institutions, mismanagement, brain drains, the lack of transparency in crisis communication and management, the limited trust that many people have in their rulers, armed conflicts and population displacements due to wars, among others.

To date, the spread of COVID-19 in the Arab countries has been limited compared to other regions around the world. However, some of the largest coronavirus outbreaks are found in their immediate neighbourhood (in countries such as Italy, Spain and Iran). In addition, the region has close commercial and geopolitical ties with countries in Europe,
North America and East Asia, where the coronavirus is still present or expanding. Moreover, the low number of confirmed cases so far in Arab countries is due to the reduced scope of testing by their health services. In addition, many citizens suspect that authorities in their countries are not reporting all the information they have about the actual extent of the pandemic.

The World Health Organisation (WHO) warned in mid-March that COVID-19 had not yet reached its peak in the Middle East and North Africa, warning that the region should prepare for the worst as soon as possible. The WHO has also complained that, despite the seriousness of the situation, countries in the region were not providing sufficient information on cases of infection and urged them to make greater efforts to combat the coronavirus.

There are several factors that might facilitate a rapid spread of the new coronavirus in the Arab region, such as the numerous human contacts with countries hit by the pandemic (Iran and European and East Asian countries), the high population density in many Arab cities, the scarcity of means for the detection and treatment of cases of infection, the social proximity associated with Arab and Mediterranean cultures, as well as the high proportion of young people with high mobility that may contribute to the spread of the pandemic in their social and family environments.

The fact that Arab societies are considerably younger than those in other regions of the world (for example, the median age in Jordan is 23.8, in Egypt 24.6, in Algeria 28.5 and in Morocco 29.5, compared with 47.3 in Italy, 44.9 in Spain and 38.4 in China) may reduce the mortality caused by the pandemic in those countries, since it seems that older people are the most vulnerable. However, the Arab region is notable for its high relative rates of other diseases that can increase mortality from COVID-19, such as cardiovascular disease and diabetes. In addition, many of the leaders in several of these countries belong to the groups that are most vulnerable to coronavirus due to their advanced age.

As in other parts of the world, Arab governments took some time before assessing the seriousness of COVID-19 and taking steps to mitigate and contain its progress. However, once they saw the effects it was having on other countries, the Middle East and North Africa have seen some of the strictest isolation and containment measures, at least on paper. These include border closures, flight cancellations and airline groundings, home confinement of the population, closure of places of worship and banning of collective prayers, suspension of work permits for foreigners and repatriation of tourists to their countries of origin. Various forms of curfew have been decreed in several countries: night curfews in Tunisia since 18 March, in Saudi Arabia since 23 March and in Egypt since 24 March; an urban curfew in Baghdad since 17 March; and, in the most extreme case, a round-the-clock curfew in Jordan as of 21 March, until further notice. Containment measures are expected to increase in the short term as the pandemic spreads around the world.
Social and economic impact

Beyond the difficulties involved in implementing large-scale social-control measures, even for regimes with a high coercive capacity and an authoritarian nature, the economic and social cost of the drastic restrictions being imposed by Arab governments can be overwhelming and, ultimately, unbearable. In the most extreme situations, those of millions of refugees and internally displaced persons living in camps or substandard housing without minimum conditions of hygiene and health, the human cost could be massive if the pandemic reaches them. In the absence of an effective vaccine against COVID-19, several areas in the Middle East and North Africa could become new hot spots for the virus that causes it (SARS-CoV-2), leading, in the worst case scenario, to the isolation of the region from the rest of the world for a long period of time.

For the moment, the impact of the coronavirus pandemic on the region’s economies is already being felt. A first blow was received by the tourism industry, with the massive cancellation of trips and tourist services in some Arab countries that generate wealth and employment thanks to the arrival of tourists from different areas of the world (several already subject to travel restrictions and home confinement of their potential tourists). In addition, on 4 March, Saudi Arabia suspended the permits to make the Umrah (the minor pilgrimage to Mecca that can be made throughout the year), as well as religious visits to Medina, due to the coronavirus. The greater annual Hajj pilgrimage, scheduled to start this year at the end of July, is hanging in the air. The total number of annual pilgrims exceeds 20 million, with all the economic activity that this generates inside and outside Saudi Arabia.

To gain an idea of its dimension, the tourism industry contributes directly and indirectly around 15% of Egypt’s GDP, 14% of Jordan’s, 12% of Tunisia’s and 8% of Morocco’s. As tourism is a labour-intensive sector, the almost total paralysis of its economic activity due to the global coronavirus crisis is a severe blow to employment and the livelihood of a large number of families. This comes at a time when projections earlier this year predicted a significant growth in tourism revenues throughout the region during 2020. In a matter of a few weeks, those rosy forecasts have been shattered.

The reduction or cessation of economic activity has been extended to virtually all areas following the adoption of measures to combat COVID-19. The closure of shops, non-basic services, educational centres, workplaces and leisure activities makes a scenario of economic collapse imaginable, either for specific sectors or for national economies. This will depend largely on the duration of the disruption caused by the coronavirus, as well as on the economic policies implemented by Arab governments to protect their businesses, workers and productive fabric. This will not be helped by the fact that the current fall in domestic demand will be aggravated by the effects of the announced global recession, due to the fall in external demand from its main trading partners, especially those in Europe and Asia.

As if all this were not enough, the COVID-19 crisis has been compounded by the oil price war initiated by Saudi Arabia on 7 March, which has caused the price of crude oil to plummet to levels of almost 20 years ago (around US$25 per barrel). The fall in demand from China, the main importer of Saudi oil, once it was hit by the coronavirus, led Riyadh to seek a deal to cut production with other oil-producing countries. Moscow’s refusal to
follow suit led Saudi Arabia to increase its production and offer discounts to its buyers in order to gain market share. This, in turn, caused Russia to increase its production. The oversupply, coinciding with the economic slowdown caused by the pandemic, has led to an abrupt collapse in the price of oil, something that was not contemplated in any of the major forecasts at the beginning of the year.

Coronavirus: an aggravating factor for existing problems

For rentier economies that depend on the income generated by the sale of hydrocarbons, the drastic fall in prices at the height of the pandemic poses a major problem for their public accounts. In the Middle East and the Maghreb, this directly affects energy producers in the Gulf, but also Algeria. For more than a year, the latter has been experiencing widespread social mobilisations (hirak), unprecedented in terms of their duration and the civic attitude shown by the demonstrators over 56 consecutive weeks. The demonstrations were suspended on 20 March due to the increase in cases of COVID-19 and to avoid the risk of infection in a country with a poor health infrastructure.

There is a widespread feeling in Algeria that the political system is sclerotic and that it requires profound reforms to build a civil State with separation of powers and good governance. While Algeria’s rulers had high revenues from the sale of hydrocarbons, they could afford to buy social peace with subsidies and grants. However, with the expected sharp fall in revenues this year, along with the worrying decline in foreign exchange reserves, the outlook for Algeria over the next few years is far from reassuring. All this with a new President of the Republic, Abdelmadjid Tebboune, who emerged from a dubious election held on 12 December, and whose legitimacy and political capital do not seem sufficiently solid for the next stage, that could see growing difficulties due to the irruption of the coronavirus pandemic.

Morocco, for its part, is also facing a significant drop in revenues in 2020, the extent of which is yet unknown. Morocco’s High Commissioner for Planning already declared in mid-March that this year would be the worst for the Moroccan economy since 1999. In addition to the fall in tourism, a global recession could significantly reduce the remittances sent by Moroccans working abroad, mainly in Europe, which account for over 6% of Morocco’s GDP. On the other hand, the fall in internal and external demand, the extent of which will depend on factors beyond the control of the Moroccan authorities, is compounded by a projected drop in agricultural production due to drought, as already occurred in 2019. Against this backdrop, it is foreseeable that the signs of social discontent already seen in recent years, caused by the lack of opportunities, economic inequalities and disparities between regions, will increase.

For Tunisia, the COVID-19 pandemic is the first major test for the new government that was formed in February, following the elections held on 6 October. This Maghrebi country—and the only democracy in the Arab region—has persistent economic problems that the current pandemic will make worse due to the drop in income from tourism and trade with Europe. The Tunisian government, like the Moroccan government and others in the region, has launched a campaign asking for donations from the population to meet the expenses that the State cannot cover in the fight against the coronavirus.
Both Iraq and Lebanon have experienced demonstrations since October 2019 calling for an end to corruption and for the State to fulfil its most basic functions. The multiple failures of the State and the absence of political leaders with the legitimacy and capacity to resolve these enormous problems, linked to systems corroded by sectarianism, can only deteriorate further with the arrival of the new pandemic. On the one hand, Iraq is suffering from a sharp drop in oil revenues, caused by the price war recently launched by Saudi Arabia. On the other, Lebanon is facing multiple simultaneous and deep crises, starting with the banking crisis that led the country to announce the first sovereign debt default in its history on 7 March. The sharp devaluation of the Lebanese pound (it has lost more than 40% of its value since last October) and the shortage of foreign currency in a heavily dollarised economy are causing the closure of businesses, the loss of jobs, inflation and serious difficulties in importing basic goods, including medical and health materials. The situation was already on the verge of a catastrophe before the outbreak of the COVID-19 crisis.

Syria, Yemen and Libya are three countries in the throes of armed conflict and subject to all kinds of external interference that fuel their civil wars. It is striking that these three countries have declared an extremely low number of coronavirus infections, probably due to the low level of testing, as well as the withholding of information by opposing sides at all levels. It is true that the dangers of travel in these countries can reduce the spread of the coronavirus. However, the potential consequences of outbreaks in areas of these countries would be devastating, especially for the millions of people and internally displaced persons who lack healthcare and means of prevention. International assistance would be unable to contain the virus if complex emergencies occur in conflict areas or in refugee camps in neighbouring countries.

Egypt, which is the most populous country in the region (home to a quarter of the total Arab population), has recorded one of the highest numbers of infections among Arab countries, according to its authorities. However, the official data do not provide any guarantee of accuracy, judging by the record of the current regime. The regime seems to be confirming this with its decision to expel correspondents from some of the main international media that published news on the subject. A leaked document showed that, at least, two high-ranking officers in the Egyptian armed forces have been reportedly killed by COVID-19, suggesting that the pandemic is more widespread than reported.

The economic impact of the pandemic on Egypt may be due to the drop in revenues from the fall in tourism, the expected decline in maritime traffic through the Suez Canal and the reduction in remittances sent by Egyptians from oil-producing countries, among other factors crucial to the arrival of much-needed foreign currency. The coronavirus could spread rapidly through Egyptian cities, especially in Cairo, due to its high population density. There is also a risk that the pandemic could spread through Egypt’s overcrowded prisons, which are known for their poor health conditions.

The COVID-19 global crisis is highlighting the interdependence there is between the populations and economies of Israel and Palestine. The spread of the virus that causes the disease has forced the leaders of Israel, the Palestinian Authority and Hamas to cooperate with each other in order to prevent a large-scale infection of the populations under their control in Israel, the West Bank and Gaza. One indication of the exceptionality
of this situation is that the Israeli Government has allowed tens of thousands of Palestinian workers from the West Bank to settle on Israeli territory—something that was previously forbidden—for the duration of the health emergency in order to reduce the risk of infection. Where that risk is most worrying is in Gaza, one of the most densely-populated territories in the world. Gaza lacks the health infrastructure and water and electricity supplies needed by its 1.8 million inhabitants as a result of the Israeli blockade, mismanagement by Hamas’s local government and the devastation left by three wars with Israel between 2008 and 2014.

The six members of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) have more efficient health resources and systems than the rest of the region. However, economic turbulences and the fall in oil prices are increasing the pressure on their finances and public services. Virtually all of these countries have implemented extensive restrictive measures to contain the spread of the pandemic. However, there is a high risk of infection among foreign workers (in some Arab Gulf countries, they account for most of the population), especially those working in the key construction and service sectors, and who live in overcrowded conditions without access to good health services.

This new situation could have a great impact on the tourism and international transport industries in the Arab Gulf countries, as well as on the real-estate sector and on the major world events that will take place in that region, such as Expo 2020 in Dubai, which is scheduled to open on 20 October and is expected to attract 25 million visitors. Likewise, this year Saudi Arabia holds the presidency of the G-20, something that is of the utmost importance for the country’s de facto leader (the Crown Prince). The COVID-19 pandemic is a gigantic challenge that makes it more difficult to perform that function successfully, at a critical time for the international system.

**Opportunities at a time of COVID-19**

At present, the countries of the Middle East and the Maghreb are not working together to provide collective responses to the threat posed to all of them by the COVID-19 pandemic. With most of the 435 million Arabs already undergoing various forms of confinement, there has been no intergovernmental coordination between their countries and no meetings between their leaders—even virtual ones—have taken place. The Arab League has maintained absolute silence and all it has managed to do is to postpone the Arab summit scheduled to take place in Algiers on 30 March.

It is clear that the Arab countries today are missing an opportunity to overcome their political divisions and thus cooperate in the fight against the spread of the coronavirus in the region. However, it is not yet too late to initiate coordination of measures taken at the regional level, as well as to launch initiatives for cooperation and mutual support, at the material, technical and financial levels. This is a unique opportunity for the Arab League to demonstrate its usefulness, on the 75th anniversary of its foundation, by doing more than just issuing communiqués. The emergency should also serve to reactivate sub-regional initiatives such as the Arab Maghreb Union (AMU), founded in 1989, which is now in a state of semi hibernation.
This is also an opportunity to change the basis of international cooperation between regions that are likely to be hit hard by the economic effects of the pandemic and the global recession that is looming. The EU should start thinking now—even before the health emergency has passed—about ways to relaunch Euro-Mediterranean cooperation, coinciding with the 25th anniversary of the Barcelona Process. It is very likely that major efforts and resources will be required for reconstruction on both sides of the Mediterranean after the pandemic has passed. Now is the time for the Union for the Mediterranean (UfM) to prove whether it can help pull the whole region out of a serious multidimensional crisis, with the support of other multilateral development institutions. If it fails to do so, it will certify its irrelevance. Meanwhile, the EU recently announced that it has granted €450 million to Morocco and €250 million to Tunisia to combat the coronavirus pandemic and address its economic challenges. For sure, this is a good start, but it will serve little purpose if it is not accompanied by a regional and global effort to keep countries on both sides of the Mediterranean afloat.

The Arab region has been experiencing mobilisations and revolts against several of the regimes throughout the current decade caused by their economic failures, inefficient management, corrupt practices and authoritarian methods. The two waves of the ‘Arab awakening’ (2011 and 2019) have swept through most Arab countries and have been mainly caused by the erosion of economic security and the deterioration of social protection systems. The coronavirus pandemic may further undermine what remains of economic security and the social protection systems that are still in place. Undoubtedly, this same pandemic offers an opportunity to negotiate new social contracts in Arab countries at a time when the SARS-CoV-2 virus has slowed down anti-regime protests. For the moment, there are no signs that this will happen. Several of the most populous Arab countries are pressure cookers. The current health emergency may serve to reduce the pressure temporarily, but if the temperature of the unrest continues to rise, their lids might be blown off more violently when the crisis ends, especially if the Arab States accumulate more failures by mismanaging the health and economic consequences of the crisis.

Another opportunity opened up by the current pandemic is the cessation of fighting in territories suffering from armed conflict such as Yemen, Syria, Libya, Iraq and Gaza. This situation should be used to alter the course of the conflicts and bring the warring parties closer together, first to stop the spread of the coronavirus (which threatens all contenders) and then to take confidence-building measures and steps towards the resolution of those conflicts. The international community should not neglect these opportunities that now arise. The UN Secretary-General, António Guterres, called for an “immediate global ceasefire” on 23 March, reminding that the time has come to “put armed conflict on lockdown and focus together on the true fight of our lives".
Conclusions

The most threatening pandemic to hit the world in a century is shaking the Arab countries hard. It has come at a time when the region was already under great pressure from weak social protection systems and high youth unemployment. These are some of the factors that have led to revolts and broad social mobilisations against the regimes in several countries during the current decade. A large-scale spread of COVID-19 would have political, economic and security implications that would lead to further destabilisation in such a volatile region.

So far, responses to the pandemic have varied widely across the Middle East and Maghreb countries, although most have enacted prevention measures involving social confinement and upholding economic activity. Although official data indicate a limited spread compared with other regions of the world, Arab governments are aware that some of the largest coronavirus outbreaks are found in their immediate neighbourhood (in countries such as Italy, Spain and Iran). In addition, the region has close commercial and geopolitical ties with countries in Europe, North America and East Asia, where the coronavirus is still present or expanding. Moreover, official data provided by Arab governments should be taken with caution, both because of the more than likely concealment of information and because of the scarcity of means to detect and record cases of infection and deaths.

It is still early to predict the impact that the COVID-19 pandemic will have on the Middle East and the Maghreb, but there is already enough evidence that, at the very least, it will have a high economic cost with numerous social and political spin-offs. Until an effective vaccine against the pandemic is marketed, the Arab States, like many others in the world, face a major dilemma: either they relax prevention measures that have a high socio-economic cost, allowing more infections and deaths, or they maintain the measures while the economy deteriorates and social unrest increases. In the absence of mechanisms for political participation by the population and of accountability for those in power, the management of the emergency may further strain the relationship between State and society.

The final outcome of this crisis for Arab countries will be conditioned by several factors such as the duration of the international health emergency, the effectiveness of State policies –where they exist– in mitigating its health and socio-economic consequences, and the perception that citizens have of the management of their rulers, among others. However, with rapidly changing global dynamics, many of the factors that will condition the way out of the crisis are beyond the control of Arab governments, since they depend on the global situation that, in turn, determines many of their sources of income (hydrocarbons, trade, tourism, transport, etc.) and the employment opportunities that their populations may find.

COVID-19 may be an aggravating fact or for problems and a multiplier in conflicts in the Arab region. However, it can also offer an opportunity to increase regional cooperation, to move towards good governance and to change the course of armed conflict that has plagued several countries in the region. It is expected that the pandemic caused by the new coronavirus will not be the last of the global challenges that the younger generations in the Arab countries will experience, making it all the more urgent to work together and be better prepared to face global challenges.

This is probably the first time in the history of the Arab States that they are facing the threat of a common enemy—a global pandemic—that does not come from a State or an
army. Similarly, there are no precedents of a common threat that does not emerge from power struggles or alliances dictated by geopolitics.

The way in which the Arab States manage the health and economic crisis generated by the COVID-19 pandemic will shape the future of the region and have strong implications for its neighbourhood. If regimes are able to manage such crises with some success, they could emerge strengthened from the situation. If, on the contrary, they resort to the usual tactics in the region when dealing with calamities (denying the evidence, providing uncoordinated and late responses, seeking blame abroad and giving free rein to their authoritarian character), then we can expect that coronavirus will aggravate the fractures and deepen the problems that run through the Arab region, creating instability for its neighbours at the worst possible time.