CIDOB notes

internacionals

232

FROM RISK TO OPPORTUNITY:
Local governance in the southern Mediterranean

Noha El-Mikawy, Regional Director, Middle East and North Africa Office, Ford Foundation

There are a number of emerging opportunities in the shift towards more decentralisation in the MENA region.

Euro-Mediterranean cooperation has an important role to play in strengthening local governance by:

- Developing urgent tools to fight against the criminalisation of civil society.
- Supporting not only the reduction of poverty but also of inequality through distributive policies.
- Deepening collaborative efforts to manage local governance in post-conflict situations.
- Resisting the predominant northern Mediterranean perception of refugees as a security threat and deepening its support of local government programmes for refugees and host communities.
- Assisting governments in the region in improving their bleak record on data transparency.

The second wave of protests that has swept across the Arab region since 2019 has been aggravated by COVID-19 and the economic recession it brought on, including a massive drop in oil prices and rampant unemployment. These impacts add onto more longstanding popular frustration with corruption and spatial inequality in a region where coastal areas and cities attract the lion's share of public investment and expenditure.

The outbreak of COVID-19 has reminded us of the importance of local governance. From the USA to Germany and down across the Middle East and North Africa (MENA) it is becoming evident that measures to deal with the health emergency require close cooperation between central and local governments. Especially in the MENA region, the pandemic has had a strong impact on the lives and livelihoods of the urban poor who cannot afford to social distance because they depend on seasonal work that does not come with paid sick leave or health insurance, and because they often live in highly dense informal housing settlements. Local and municipal governments are already at the forefront of fighting the pandemic and they will become even more important in the mitigation of its socioeconomic consequences.

However, the Arab region is one of the most centralised in the world, and some observe that this centralisation is accompanied by high propensity for conflict (Tuson and Yelmaz, 2008; Mezran and Varvelli, 2018). Decentralisation is often seen as risky by ruling elites who are apprehensive and afraid that it might result in the weakening of the nation state. While the sheer number of failed states in the region makes this aversion understandable, it should be put in perspective: the region is ethnically

and religiously diverse, and it can harness the positive impact of diversity when authority is devolved to lower levels of government. More inclusive and accountable local governance at the provincial, regional, city, district and neighbourhood levels would give citizens the sensation of immediate improvement in their daily realities. Capable local government could also prepare the region for a highly uncertain future and potentially contribute to preventing the escalation of protests into violence.

Euro-Mediterranean cooperation has a role to play in the shift towards more decentralisation in the MENA

Euro-Mediterranean cooperation has a role to play in the shift towards more decentralisation in the MENA region.

region. It includes a number of initiatives and entities that could strengthen collaboration between local governing units, whether cities or regions. A CIDOB publication by Eckart Woertz provides examples of the array of possible venues for action in this regard. But context matters. At least four key Arab situations underline the imperative for a renewed, context-specific focus on local governance. Further, there are a number of emerging opportunities that should inform Euro-Mediterranean cooperation on local governance. Below we detail these situations and opportunities. The hope is that this article will provoke new thinking on decentralisation in the Arab region that is context-specific as well as sensitive to and humbled by some emerging trends. It is an invitation to make long-term plans for participative, inclusive and effective local governance, even when short-term results are suboptimal.

Four local governance situations in the MENA region

Framing local governance in ways that respond to the idiosyncratic features of the region means that no one model will fit all. There are at least four local governance contexts within the Arab region. Each one comes with specific political economy and governance constraints.

Centralised states (e.g. Egypt and Algeria)

These states have little appetite for devolving power to local levels of government. In the case of Egypt, for instance, no local elections have taken place since 2011. This mode of local governance without representation mechanisms perpetuates legitimacy and accountability deficits. The latter remain unaddressed while huge economic variations exist among provinces, as COVID-19 has shown with respect to public health services (Shama, 2020). Because of the centralised legacy, local governments in these

countries have limited capacities to provide social services and to work with the private sector to attract investment and jobs, or to design fair corporate taxation schemes that benefit the coffers of local governments.

And yet, communities in centralised states regularly attempt to keep local authorities accountable. For example, Care International worked with local communities in three Egyptian Governorates in the 2013–2018 period to introduce new accountability practices using public hearings and capacity development of both local officials and local community organisations to help both sides engage in dialogue. This experiment is worthy of further study and support. As with similar projects by Care International in Morocco, local communities (civil society and youth groups) can learn to exercise social accountability at the local level, to organise public hearings and produce score cards to monitor the provision of quality social services. At the same time, local government officials have the opportunity to improve their capacity to constructively manage and respond to community critique and scrutiny.

Such initiatives are, however, not the end of the road. For social accountability initiatives to become stepping stones to inclusive local decision-making, distributive policies and reduced corruption, they need to be coupled with progress towards the fiscal and financial empowerment of local authorities, as well as local and national administrative accountability and the rule of law.

Countries with non-state actors running the affairs of large regions/provinces (e.g. Libya and Syria)

In these situations, local governance struggles with an extensive infrastructure of violence, a disturbing record of human rights violations, and many of the features of a war economy, (e.g. illicit trafficking to generate revenue for non-state actors). Thinking about local governance in this context means anticipating considerable challenges to local authorities related to the infrastructure of violence and illicit trafficking that linger and reduce the ability to fight corruption and redress grievances from crimes committed during the years of conflict.

In cases of predatory extractive rule by non-state actors (not to be confused with a new social contract) in Libya, Syria and Iraq, recent research by Gothenburg, Stanford and Northwestern universities, presented at the third annual Governance and Local Development conference of the University of Gothenburg in May 2019, points to some counter-intuitive trends. Those who live under the rule of non-state actors may get used to the lack of the rule of law, which presents some challenges to post-conflict transitions. People may also get used to seeking basic social services (e.g. education or health) from non-state actors and private providers.

All of this points to the need to be realistic and vigilant when designing and supporting local governance reform in such contexts.

Countries where both national and local governments are divided along religious lines (e.g. Lebanon and Iraq)

In countries such as Lebanon and contemporary Iraq, all basic social services, investments and jobs are distributed along confessional lines and controlled by confessional leaderships. Under these conditions local governments need to devise frameworks for sharing resources inclusively and ensuring equitable provision of services and the rule of law.

Recent mass protests in Lebanon that call for new frameworks to end both sectarian and corrupt rule provide a lesson that can be applied to the entire region. Millennials are no longer going to tolerate confessional fragmentation. Regimes built on a confessional basis will survive for a while, but the protests in Lebanon show that this stability is temporary. In the Lebanese case it lasted one generation, as 30 years have passed since the end of the civil war in 1990.

There is a need to formulate completely new modalities of devolving power based on shared citizenship. Civil society in Lebanon's universities, NGOs and social movements have provided ample examples of valuable thinking to inform inclusive city planning, taxation, industrial zoning and access to public space (such as parks and beaches) in collaboration with professional syndicates, municipalities and mayors. These urbanists are now part of the mass movement calling for non-sectarian national leadership and empowered local government.

Safeguarding the civic space in which these experiments can grow is crucial. Furthermore, success on the local level will make sense only when it is calibrated with policies of inclusion and social justice that address structural drivers of grievances on the national level. Otherwise, local success in a general context of distrust driven by unaddressed structural grievances could invite instability. Lebanon is a case in point. After the civil war, the United Nations tried to strengthen cross-sectarian youth groups (UNDP, 2013). The most recent mass street protests clearly indicate the yearning of the Lebanese not only for co-existence but for a complete overhaul of national and local governance structures that would, together, eradicate corruption and enhance inclusive co-sharing of the country and its resources.[1]

Countries that have begun to devolve power to local governments (e.g. Morocco and Tunisia)

These countries have been designing constitutionally anchored commitments to decentralisation since 2010. However, concrete measures that grant financial, fiscal and administrative power to the local level are still works in progress.

The Moroccan constitution of 2011 instituted *deconcentration* at local government level and regionalisation, giving regions more powers for economic planning,

> There is a need to formulate completely new modalities of devolving power, based on shared citizenship.

land use, industrial zoning and so on. This is no minor achievement given that many countries in the southern Mediterranean do not use regions within a country as the units of planning (this is because many regions cross administrative borders within a country or political borders between countries). However, while the Moroccan case is a first step, more devolution of administrative and financial powers is still required.

The 2014 Tunisian constitution devoted 10% of its articles to decentralisation. Those articles decree financial autonomy, elections, citizen participation and open government at the local level. This is a bold attempt to reform local governance in a country with deep regional inequalities. Nevertheless, the Tunisian reforms continue to be challenged by the lack of financial resources and technical capacity among local government officials (Houdret and Harnisch, 2018; Yerkes and Muasher, 2017).

What is the role of Euro-Mediterranean cooperation?

Twenty-five years after the launch of the Barcelona Process, it may be worth revising the course of action of the Euro-Mediterranean Partnership so as to help strengthen local governance in the MENA region and make it more resilient to external shocks like COVID-19. Such a revision will require a number of emerging trends to be taken into account. Business as usual driven by piecemeal projects is no longer enough.

Financing for development

Measures taken to respond to COVID-19 and its impacts have highlighted the importance of the localisation of production and services to reduce disruptions in global supply chains during periods of lockdown. Those who are currently advocating for a revision of globalisation in favour of more localisation view accountable local governance as one solution. As governments and inter-

---

1. See the research on decentralisation of the Lebanese Center for Policy Studies (LCPS).

national financial institutions design stimulus packages for bailouts and new investments, it will be important to consider innovative sources to finance development such as "blended financial models for development."

In the Arab region, this conversation needs to become localised. Local government partnerships with the private sector and institutional investors (e.g. banks, pension funds, sovereign wealth funds) need to be properly scrutinised. It is often argued that given a lack of government resources, the private sector, institutional investors and social entrepreneurs can help close the financing gap for

Twenty-five years after the launch of the Barcelona Process, it may be worth revising the course of action of the Euro-Mediterranean Partnership so as to help strengthen local governance in the MENA region and make it more resilient to external shocks like COVID-19.

development; and local authorities are encouraged to explore these routes. But if blended financing models really are a solution, then it is important for Euro-Mediterranean cooperation to develop the necessary measurement tools to help all parties concerned monitor and evaluate the social impact of private sector involvement. Up until now, revenue, profit and rate of return on investment are the key indicators of success for the private sector and for institutional investors. Social impact is a new bottom line in the Arab region and it needs measurement tools and financing modalities. These, in turn, need to be customised and improved by practice. Mayors and local councils in the region are in dire need of better knowledge and capacities to plan and manage social impact before they can safely engage the private sector or investment institutions in financing development.

But is it true that governments, whether national or local, lack the fiscal space to spend on social results? Is it not true that fiscal scarcity is partially induced by the reluctance of nation-states and the inability of local authorities to raise taxes from the corporate sector, increase taxes on land or raise revenue from industrial zones in order to finance local expenditure on health and education? Is it not true that local governments are failing to go after real estate speculators and environmental polluters? And is it not true that international financial institutions have a responsibility to bear when they focus on structural adjustment, austerity measures and macro growth rates, ignoring policies that address inequality and expand fiscal space for social spending, such as progressive taxation? It would greatly help if entities with leverage on the global narrative, such as the European Union, the OECD, G20, United Cities and Local Governments (UCLG) and the

Union for the Mediterranean, would raise their voices in support of measures that fight inequality using distributive policies. This could help upset the dominant narrative, which focusses on reducing poverty with little to show in terms of reduced inequality.

Protecting civil society

In many Mediterranean countries a trend towards criminalising civil society is gaining momentum. In the South Mediterranean, this was the response of governments as they came under attack by the protests that swept across the Arab region in 2019. EU Member States have recently also taken steps to intimidate civil society, especially in the context of civic organisations supporting refugees to cross the Mediterranean. Euro-Mediterranean cooperation should develop urgent tools to fight against the criminalisation of civil society and identify opportunities for shoring up the relevance and credibility of civic actors. Collaboration with global influencers such as the OECD, G20, CIVICUS, the International Civil Society Centre, the International Center for Not-for-Profit Law (ICNL) and international development banks (especially the European Bank for Reconstruction and Development) could be important in this regard.

A number of possible steps could be adopted by a revised Euro-Mediterranean partnership. First, civil society should be broadly defined, so as to include not only service providers, but also whistle blowers and producers of independent evidence, knowledge and policy advocacy. Euro-Mediterranean cooperation could create funds that support independent think tanks, local media and investigative journalism and artistic expression. Many such entities exist in the region, and many of them are part of networks with cross-border outreach and programmes that support younger generations of independent thinkers. Examples include the Arab Reform Initiative (ARI) and The Arab NGO Network for Development (ANND), which have developed expertise and comparative knowledge of decentralisation, taxation and social justice in the region. Arab civil society, both national and cross-border, needs multi-year support programmes that allow it to develop multi-year action plans with financial security.

Secondly, Euro-Mediterranean cooperation could foster citizen participation at the local level and the creation of public "citizenship spaces" that support freedom of expression.[2] For example, city or neighbourhood awards for the Mediterranean region could be introduced, using

---

2. For examples of civic activism in the region, see the series of interviews conducted by the ARI.

rigorous indicators of the openness and inclusiveness of civic space. Further, an award could be created for cities in the Mediterranean that encourage local media actors to become independent, critical watchdogs of local government accountability. The EU's governance and human rights programmes are already investing in independent journalism and human rights in the region. But a lot more needs to be done to dispel the negative impact of security-driven initiatives on civil society across the Mediterranean. COVID-19 could intensify the securitisation of state-society relations in the region, making it even more important for the EU to invest in and support freedom of expression. For example, this could be done by naming civil society organisations, including cultural and artistic groups, in the category of micro, small and medium enterprises of stimulus packages for Arab countries.

Conflict and post-conflict

Euro-Mediterranean cooperation can deepen collaborative efforts to deal with local governance in post-conflict contexts, using two possible approaches. Firstly, it could provide support to innovative urban planning partnerships. A good example is the work done by the Post Conflict Cities Lab in Lebanon, an interdisciplinary research lab based at the Columbia University Graduate School of Architecture, Planning and Preservation (GSAPP). Through a partnership with the Beirut Urban Lab at the American University of Beirut, it cooperates with several scholars and entities in the MENA region to develop post-conflict planning and reconstruction projects. The research and teaching of both labs formulate joint responses to the challenges of rebuilding post-conflict cities and to develop inclusive and equitable urban planning methods that try and resolve, rather than deepen religious, racial and ethnic divides. The aim is to put into practice conflict sensitive urban planning strategies that can potentially contribute to preventing future violence and conflict.

Secondly, Euro-Mediterranean cooperation should pay more attention to non-state actors as possible spoilers of inclusive governance. In this regard, EU foreign policy can play a strategic role in balancing the negative effects of funding to non-state actors in provinces and cities by the USA, Russia, Israel, Iran and the Gulf states, which often places an emphasis on military solutions and thereby distracts from social justice and development goals. The EU can take on the responsibility of crowding out the negative effects of such funding by offering more support for peace and justice in transitional justice and rule of law programmes. No one knows the value of inclusive development and accountable governance for peace and sustainability better than the EU.

Refugees and host communities

The region is not only home to conflict that induces migration and increases the numbers of refugees and displaced people, it also faces serious environmental challenges that will increase the displacement of people. And when people are displaced, local governing elites bear the brunt, especially local elites inside the Arab region where most of those displaced stay. The UN Global Compact for Migration should find a home in the Mediterranean region through innovative implementation and monitoring.

In many Mediterranean countries a trend towards criminalising civil society is gaining momentum.

Mediterranean partners to the north need to resist a trend that has its origins within their own ranks, namely, the perception of refugees as a security threat. It is time to act together to ensure that the "refugee crisis" becomes an opportunity to empower local governments, in both the northern and southern Mediterranean. Euro-Mediterranean cooperation could deepen its support for programmes with structural incentives rather than piecemeal projects so as to entice local government entities to design, finance and implement inclusive programmes that take care of refugees and host communities as fellow human beings. For example, job creation schemes for refugees and host communities designed to help Arab countries keep refugees and migrants from crossing the Mediterranean need to be strengthened with enhanced educational opportunities and social protection schemes.

Governance Tools

Over the past two decades multiple measurement tools have been developed to capture nationally aggregated trends of governance: The World Bank's Governance Index, the World Economic Forum's Doing Business, the UN Gender Inequality Index, Oxfam's Inequality Index etc. The Mediterranean region would benefit from efforts to build a local governance preparedness index that captures gender, conflict, displacement, open society and impact investment trends at the local level. Local preparedness to pandemics could also be better managed with such an index (Muggah and Katz, 2020).

But the development of governance tools requires transparency of data collection and data sharing in the Arab region. According to a recent World Bank report on *How Transparency Can Help the Middle East and North Africa* (2020), the EU can support governments in the region in improving their bleak record

on data transparency. In this context it is important to note that disaggregated governance measurement tools should not be kept in the hands of government officials alone. When cooperating with Arab governments on the development of such measurement tools, the EU is well advised to foster the inclusion of civil society at all stages of the process, from production of the tool to the dissemination of results.

EU foreign policy can play a strategic role in balancing the negative effects of funding to non-state actors in provinces and cities by the USA, Russia, Israel, Iran and the Gulf states, which often places an emphasis on military solutions and thereby distracts from social justice and development goals.

Conclusion

The Arab region is facing a defining moment. Euro-Mediterranean cooperation can play an extraordinary role in ensuring that this moment propels the region to a better place that enhances good neighbourhood effects. How should this aspirational goal be achieved? Designing Euro-Mediterranean cooperation with local governance in mind is crucial. This can leverage an approach that is attentive to the specific local political economies in Arab countries and that supports realistic solutions that factor in emerging trends affecting the region. This article has highlighted the different political economies in Arab countries, drawing attention to how each context affects local governance efforts. It has also shed light on emerging trends whose adversarial impacts could be turned into opportunities.

European partners should not give in to resignation. The attitude of *we tried and nothing is to be done* is not an option. In fact, they have to try harder because the Arab region is becoming a field contested by regional and global powers whose priorities are not aligned with peace and security in the Mediterranean. Arab partners, in turn, should not harbour fear and distrust of their societies and local communities. The current spirit in the region seeks to break with the past and forge a better future for all. This is the time for an ambitious Euro-Mediterranean partnership that is sensitive to the risks and challenges confronting the Mediterranean and the world today.

References

Houdret, A and Harnisch, "A. Decentralisation in Morocco: a solution to the 'Arab Spring'?". *The Journal of North African Studies*, 24(6), 2018, pp. 935–960.

Mezran, K. and Varvelli, A. (Eds.), *The Arc of Crisis in MENA Region: Fragmentation, Decentralization, and Islamist Opposition*. Milan: ISPI and Atlantic Council, 2018, (online). [Accessed on 29.01.20:] https://www.atlanticcouncil.org/in-depth-research-reports/report/the-arc-of-crisis-in-the-mena-region-fragmentation-decentralization-and-islamist-opposition/.

Muggah, R. and Katz, R. "How cities around the world are handling COVID-19 – and why we need to measure their preparedness". 17 March, 2020, *The World Economic Forum COVID Action Platform*, (online). [Accessed on 21.05.20: https://www.weforum.org/agenda/2020/03/how-should-cities-prepare-for-coronavirus-pandemics/.

Shama, N. "In Egypt, the coronavirus poses a political threat", *Foreign Policy*, 30 April, 2020, (online). [Accessed on 21.05.20:] https://foreignpolicy.com/2020/0430/egypt-sisi-cornavirus-political-threat/.

Tuson, M. and Yelmaz, S. "Centralization, decentralization and conflict in the Middle East and North Africa". Policy Research Working Paper 4774. *The World Bank Sustainable Development Network, Social Development Department*, 2008, (online). [Accessed on 29.01.20:] https://www.researchgate.net/publication/46510559_Centralization_Decentralization_and_Conflict_in_the_Middle_East_and_North_Africa.

THE WORLD BANK. *How Transparency can help the Middle East and North Africa*, April, 2020, (online). [Accessed on 21.05.20:] https://openknowledge.worldbank.org/bitstream/handle/10986/33475/9781464815614.pdf?sequence=9&isAllowed=y.

UNDP. *Towards a Citizen's State. The National Human Development Report. Lebanon 2008-2009*, 2013, (online). [Accessed on 29.01.20:] https://www.lb.undp.org/content/lebanon/en/home/library/democratic_governance/the-national-human-development-report-2008-2009--toward-a-citize0.html.

Yerkes, S. and Muasher, N. *Decentralization in Tunisia. Empowering Towns, Engaging People*. Washington, DC: Carnegie Endowment for International Peace, 2018, (online). [Accessed on 29.01.20:] https://carnegieendowment.org/2018/05/17/decentralization-in-tunisia-empowering-towns-engaging-people-pub-76376.