The Politics and Economics of COVID-19 Relief in Times of Conflict and Vulnerability in the MENA Region

Jasmin Lilian Diab, ABD
Research Associate, Political Economy of Health Workstream, Research for Health in Conflict (R4HC MENA), Global Health Institute, American University of Beirut

Fouad M. Fouad, MD
Associate Professor of Public Health Practice
Co-Investigator, Political Economy of Health Workstream, Research for Health in Conflict (R4HC MENA), Global Health Institute, American University of Beirut

Abstract

States throughout the MENA region have quickly reacted to contain the spread of the Coronavirus (COVID-19) in the region. With all necessary precautions at this developed stage of pandemic in place, the virus seems to be ‘contained’ to a large extent in the region thus far. The public health consequences have subsequently been ‘less severe’ than anticipated in a region tainted with its fair share of conflict and political and economic instability. Nonetheless, the pandemic is already the cause of dramatic economic, political and social consequences, in particular for the most vulnerable states and the most vulnerable factions of these states’ populations. A regional agenda of reform would assist in addressing the region’s structural imbalances and further assist with the design of a new inclusive growth model; however, the economic and political discrepancies in the region may serve as a fundamental hindrance to this process.

Key words: Political Economy, Conflict, Health, MENA, Policy, Vulnerability

I. Overview

The majority of states across the globe have announced their own versions of relief packages in-line with international standards, with the aim of tackling the economic anguish instigated by the COVID-19 pandemic. However, and incredibly unfortunately, these packages yet again miss the mark when it comes to what they offer those most affected, the most vulnerable, as well as those affected across multiple intersectional levels due to pre-existing vulnerabilities which remain unaddressed such as: migrant domestic workers, youth, women and people living below poverty lines. The MENA region is home to a plethora of these intersections, from refugees who cannot adhere to the standardized precautionary health measures, to marginalized gender groups, to individuals navigating through unemployment. And despite the fact that these packages are available in ‘big numbers’, they fail to address particular contexts and remain untailored to accommodate very particular inconsistencies on the ground.

Throughout the world, the question of responding to the COVID-19 pandemic has challenged political, economic and ideological frameworks alike. It has challenged government policies, has ignited social and economic constrains, and highlighted governments’ essentially slow and inefficient responses to global crises at all levels. Despite the fact that COVID-19 should have
illustrated the significance of spending on the public sector and improving demand, all it has done across the past three months is expose the bankruptcy of austerity policies across the board. In state after state in the MENA region, economic experts, political parties and unions alike have emphasized what should have been seen as quite obvious: governments must spend more to reap more. Meaning, governments need to put forth the financial support necessary for the survival of their people and to reignite the economy.

II. COVID-19 and MENA Regional Responses

States across the MENA region have quickly undertaken critical measures with the aim of slowing down the increase of the COVID-19 contagion through restricting the movements of millions of people.¹ There are now over 320,000 confirmed cases throughout the MENA region.² Among the region’s developed economies, Saudi Arabia stands with the highest number of confirmed cases, followed by Qatar and the United Arab Emirates.³

In spite of dramatically different levels of health system preparedness throughout the region, MENA countries’ overall health management strategies, characterized by strict containment measures implemented in the very early stages of the outbreak, have proved efficient in limiting the spread of the pandemic in the region.⁴ States in the region have progressively begun to ease restrictions on both movement and economic activities as of May 2020, and have been gradually moving toward a relaxation of restrictive measures on the general public; but the pandemic has challenged MENA economies’ ability to cope as the virus short and long term amid already strained, ill-equipped and overcrowded medical facilities.⁵

³ Ibid
Evidently, the case is not the same for the states of the Gulf\textsuperscript{6} who are in a better economic standing than the developing economies in the Levant region\textsuperscript{7} or of North Africa,\textsuperscript{8} or for the fragile and conflict-ridden states in the region such as Syria, Iraq, the Gaza Strip, Yemen and Libya. Despite the fact that states have adopted rapid, decisive and innovative measures to contain the spread of the virus, efforts have served as a major indication of the significant dissimilarities between states in terms of their capacity to ‘react’ in the areas of healthcare as depicted in the Global Health Institute at the American University of Beirut’s COVID-19 Arab Monitor.\textsuperscript{9} The crisis has inherently tested the public sector, forcing governments to make rapid decisions and undertake perceivably drastic measures to protect some of the communities most at risk.

Interestingly, although COVID-19 came ‘late’ to Turkey (not until the 11\textsuperscript{th} of March, 2020), it soon spread to every corner of the country.\textsuperscript{10} Within one month all eighty one provinces had been affected.\textsuperscript{11} It was the one of the fastest growing outbreaks in the world, even worse than China and the United Kingdom. There were fears that the death toll would soar turning Turkey

\begin{figure}
\centering
\includegraphics[width=\textwidth]{image.png}
\caption{Number of Coronavirus (COVID-19) cases in the Middle East and North Africa as of March 2020 (Source: Pharmaceutical Technology)}
\end{figure}

\textsuperscript{9} COVID-19 Arab Monitor (COV-AM) (2020), Global Health Institute, American University of Beirut, Retrieved at: https://ghi.aub.edu.lb/cov-am/
\textsuperscript{11} Ibid
into another Italy, which was then the hardest hit country. Three months since its discovery of its first case, and this still has not happened – even without a total lockdown. The official death toll is just shy of 5,000. Medical experts have disputed these figures, claiming the ‘real figures’ could be twice as high because Turkey only includes those who test positive. Either way, in the horrific annals of the COVID-19 era, it is still considered quite a low number when juxtaposed against its population of 83 million.

**On Containment and Relaxation Efforts**

The MENA region reported its first COVID-19 case in late early February 2020 in the United Arab Emirates. In-line with trends around the world, the reported number of cases steadily increased drastically within the first few weeks of the outbreak. Infection and mortality rates as of May 2020 may be an illustration of the fact that the pandemic did not hit the MENA region as hard as anticipated. For the moment, the number of COVID-19 related deaths in the region as opposed to the population, remains far below the rates experienced in many states across European and Asia. Analysts and researchers alike have attributed this reality to MENA economies’ ‘swift and early response’. In the months following the outbreak of the pandemic, MENA states introduced strict containment measures beginning as early as the first half of March 2020. Additionally, several states did not wait to have confirmed cases to begin imposing movement restrictions and social distancing measures. A clear example of this is Saudi Arabia suspending pilgrimages to Mecca and Medina and barring access to religious sites in the two cities as early as February 26, 2020. And although borders have remained open for transport of goods and medical equipment, quarantine rules were strictly enforced and

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13 Ibid
15 Ibid
17 Ibid
19 Ibid
even accompanied with severe penalties for non-compliance, ranging from fines to prison sentencing in states such as Jordan, Saudi Arabia and the UAE.

As of May 2020, several MENA countries have begun to gradually relax lockdown measures and plan their exit strategies to revive their economies. De-confinement plans disclosed so far are either progressive, such as Lebanon’s five-step reopening plan which began in early May, or rely on a geographical breakdown between low-risk and high-risk regions, as in Iran where the country has been divided into white, yellow and red areas based on numbers of confirmed cases and deaths. Algeria, Bahrain, Iraq, Jordan, Lebanon, Saudi Arabia and the UAE have all authorized businesses and commercial outlets to resume activity to a large extent.

Across MENA states, the gradual relaxation of restrictions has been interlinked with more permanent strict preventive measures. Physical distancing is still strictly enforced in most states, with businesses requiring their staff and customers to comply with precautionary measures in order to remain successfully re-opened. Face masks have also been made mandatory in public settings in Bahrain, Morocco, Qatar and the UAE, with violators facing heavy penalties including up to three months of jail in Morocco.

Obstacles to Health Systems and Health Sector Responses

MENA states’ containment strategies have proven to be particularly pivotal in light of the region’s different degrees of health system preparedness. Over the past two decades the Gulf Co-operation Council (GCC) countries have undertaken substantial investments in healthcare infrastructure, coupled with efforts to increase the number of trained doctors and nursing personnel. In the World Health Organization’s report titled ‘IOM Regional Strategic Preparedness and Response Plan for the Middle East and North Africa COVID-19’, where countries were ranked on a scale of 1 to 5, with ‘1’ meaning no capacity to respond and ‘5’ meaning sustainable capacity, all GCC countries with the exception of Qatar scored either 4 or 5. However, the GCC health systems still face a plethora of obstacles which encompass

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24 Ibid
27 Ibid
31 Ibid
fundamental risk factors related to lifestyle diseases such as diabetes, obesity and cardiovascular diseases. In particular, diabetes prevalence rates in the region are among the highest worldwide, and as high as 22% in Kuwait for example. As diabetes and obesity have been reported to be a risk factor for hospitalization and mortality of the COVID-19 infection, this may propose additional strains upon GCC health systems’ capacity to respond to the sanitary crisis. The OECD has further reported that another point of concern is GCC’s ‘heavy reliance’ on both an expatriate medical workforce and imported medical equipment and supplies, has been impacted by travel and transport restrictions.

On another note, developing MENA economies have been heavily strained by low health expenditures, human resource shortages in the health care sector as well as a major shortage in medical equipment amid economic lows. Total health expenditure per capita in the majority of MENA states is considerably below averages for countries in similar income categories. Another essential reality hindering the health sector in the region is the fact that the number of physicians per 1,000 inhabitants is considerably below the WHO recommended threshold of 4.45 doctors, nurses, and midwives per 1,000 population, and as low as 0.72 and 0.79 in Morocco and Egypt respectively.

For states enduring particular periods of vulnerability and conflict, the COVID-19 outbreak poses fundamental obstacles given pre-existing damages to their health systems. In emergency and conflict settings, where availability of water, sanitation and hygiene (WASH) services is scarce, applying preventive measures with the aim of limiting the spread of the disease will almost definitely prove to be difficult. States where health care facilities have been partly destroyed during times of violent conflict, periods of prolonged armed conflict and bad governance remain particularly fragile and unorganized in many areas in the region. Not only do they lack the essential capacity to respond to the pandemic in terms of medical facilities, equipment and personnel, but also suffer from a huge ‘outflux’ of health care workers have left these states as migrants. In Syria for instance, the WHO estimates that 70% of health care workers have fled back to their home countries, while only 64% of hospitals and 52% of primary health care centers remain fully operational. Aid restrictions further hinder the COVID-19 relief response in general.

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33 Ibid
36 Global Health Observatory Data (2020), Density of physicians (total number per 1000 population, latest available year), World Health Organization, Retrieved at: https://www.who.int/gho/health_workforce/physicians_density/en/
39 Ibid
In order to prevent their health systems from being overloaded, MENA states introduced measures and dedicated funds to support both their medical personnel as well as protect their citizens. More specifically, multiple states have drastically increased the number of intensive care units and hospital beds available for COVID-19 patients, and have invested in specifically dedicated treatment facilities. The UAE for instance, performs more than 40,000 tests daily. States in the region have also increased their testing capacity by opening new sites and establishing drive-through testing stations such as in Abu Dhabi. This has enabled countries to thus facilitating detection, tracking and isolation of cases across the region.

Strengthening Institutional Coordination in the MENA Region

Once the first cases of COVID-19 in the MENA region were confirmed, states across the region swiftly adopted measures to fortify institutional coordination and create important inter-ministerial structures to address the pandemic across intersectional themes.

These measures further encompassed the establishment of expert technical and scientific committees who were delegated the task of monitoring and evaluating the progress of the situation, as well as anticipating the direct and indirect repercussions of COVID-19 at the political, social, economic, and health levels. For instance, Tunisia has established a National COVID-19 Monitoring Authority, an authority constituted of Senior Government Officials from across all ministries, with the aim of imposing full compliance with all measures to combat the virus. The Authority is also set in place in order to guarantee the coordination between the National Committee against the Coronavirus, headed by the Office of the President, and the regional committees against natural catastrophes. This Authority of experts is further tasked with monitoring the regularity of the supply of basic products, the distribution of social assistance to impoverished citizens, as well as the referral of recommendations to the national committee to combat COVID-19 to adopt the necessary measures to contain the virus as developments arise.

The public procurement systems of MENA states adjusted to the pandemic through the implementation of measures in order to facilitate the timely procuring of both critical and sanitary goods amid fast-evolving needs. The Tunisian National Authority for Public Procurement for instance, has published a circular to remind public buyers of the necessity to respect the established provisions for cases of force majeure and loosen public procurement procedures. On a similar note, as per an OECD report on the MENA’s response to COVID-

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43 Ibid
44 Ibid
46 Ibid
19, efforts are currently in place to ‘build up the resilience’ of critical infrastructures, such as healthcare facilities and essential suppliers in order to absorb the impact of the crisis in the short-term and encourage their durability and resistance to future crises of the like in the longer term, where public governance responses will be essential in creating the conditions for economic and social recovery. They will be key in establishing a sturdy public sector that is harmonized, receptive, dependable, comprehensive, transparent and liable, and therefore able to continually anticipate and capably respond to the evolving needs and challenges that may arise from potential similar ‘surprises’ in the near or distant future.

III. Concluding Remarks

COVID-19 has emphasized the necessity to address underlying policy and structural issues in an unprecedented fashion in the twenty-first century. It has highlighted the importance and need for transparency, the fight against all forms of administrative corruption, effective public procurement, digitalization and open government approaches, in addition to a strengthened role for grassroots organizations, academic research and civil society and partnerships. It has highlighted a need for intersectionality in governance approaches, and the need to enhance public sector resilience and adaptability while restoring the population’s trust in public institutions. It has further highlighted the need to build public sector capacity which is capable of enduring times of unforeseen crises and respond appropriately and with agility.

The pandemic has already caused a drastic economic recession in the MENA region, as states power through a ‘dual shock’ amid both a negative demand and supply shock coupled with a collapse of oil prices. As states proceed with a series of containment measures limiting both transportation and economic activity, this is strongly weighing on the ability of businesses to continue contributing to the economy and stay afloat.

The United Nations Economic and Social Commission for West Asia (ESCWA) estimates that the economic recession caused by COVID-19 will cause an additional 8.3 million people in the region to fall below the line of poverty. Plummeting oil prices have subsequently put an additional strain on some of the region’s most sturdy economies. The impact of the COVID-19 outbreak may further intensify regional and structural imbalances, in addition to protracted political instability as well as prolonged periods of turmoil and conflict in some cases. The outbreak of the pandemic has impacted political developments within MENA economies to say

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48 Ibid
50 Ibid
52 Ibid
the least. More specifically and most recently, demonstrations in Algeria\textsuperscript{53} and Lebanon\textsuperscript{54}, which had been ongoing since February and October 2019 respectively, have been put to a halt due to the health crisis – and have begun to fuel again as restrictions ease up.\textsuperscript{55} On April 8, 2020, the Kingdom of Saudi Arabia announced an extension to its two-week ceasefire on Yemen by one month in light of the humanitarian crisis, but to what end really?\textsuperscript{56}

The intersectional health and economic crises may serve as a pivotal occasion to undertake in a comprehensive reform process in the region, as well as tackle several of its core structural issues such as decentralization, private sector development and social protection.\textsuperscript{57} The crises may also serve as an opportunity to design a new approach to economic diversification, health and education spending, industrial innovation and partaking in regional value chains which build upon all factions of the society more comprehensively. Moving forward, in a region with evidently dissimilar circumstances this would be an opportune time to address the impact of the pandemic on governance frameworks. In a time where collaborative partnerships and inter-governmental agencies are important to address the unprecedented economic and social challenges put forth by COVID-19, it is more necessary than ever to empower individuals in the areas of relief packages with long-term positive impacts that cater to those most in need.

While most relief packages are being celebrated across the mainstream media as effective means to tackle the enormous economic setbacks initiated by COVID-induced lockdowns, the world economy may contract by 1 to 3\% in 2020 due to the COVID-19 crisis according to the International Monetary Fund (IMF).\textsuperscript{58} Additionally, according to the Asian Development Bank, the total loss to the global economy would be somewhere between 5.8 to 8.8 trillion USD.\textsuperscript{59} This contraction is ‘almost certain’ given the net losses in business days due to the COVID-19 lockdowns.

However, who is affected and to what extent remains a matter of contestation among those who focus on the supply angle of economics against those who focus on more of a demand angle. As SMEs will not be able to pay their employees’ salaries due to the sharp decline in economic activity, they therefore, necessitate short-to-medium term funding to protect their employees and their own continuity. The question that remains at the moment is: Is there room for true economic recovery while the demand remains at an all-time low? Reviving production and services essentially depends on demand and economic activity, and will solely be resuscitated

\textsuperscript{54} Houssari, N. (2020), New wave of protests expected in Lebanon after end of coronavirus pandemic, Arab News, Retrieved at: \url{https://www.arabnews.com/node/1662226/middle-east}
\textsuperscript{55} Ibid
\textsuperscript{57} Ibid
faster through the provision of direct relief packages to the workers who have lost their income. More pivotal is the need to safeguard that the relief reaches the working class, particularly the most vulnerable factions of society working in both the informal or ‘unorganized’ sectors. Today, this particular faction of workers remains the worst affected as they struggle to power through the total loss of their sources of livelihood, and continue to struggle to survive in the absence of government support or any anticipation of any government support.

In a complex region such as the MENA, it is pivotal to note that various degrees of conflict, discrepancies in economic standing and policy advancement, as well as demographic and political realities make it impossible to implement a ‘one size fits all’ approach when it comes to tackling the COVID-19 pandemic. As the region continues to work through its own conflicts and crises on the political and economic levels, it is important to note that the arrival of a pandemic has only resurfaced pre-existing issues, and rendered a unified solution for the region even more complex.

Funding Information:
This work was funded by the UK Research and Innovation GCRF RESEARCH FOR HEALTH IN CONFLICT (R4HC-MENA); developing capability, partnerships and research in the Middle and Near East (MENA) ES/P010962/1