

The Arab Spring: the Unfinished Story: Social Conditions and Labor Market Bottlenecks as Igniting Factors

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By

Alia El Mahdi
Prof. of Economics/ Cairo University
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Outline of the Presentation

- **1-Introduction**
- **2-The Dire Socio-economic conditions and Labor market Dilemma**
- **3- Future Prospects**

1- Introduction

- The Arab uprisings in the different countries resemble a volcano that was brewing for a long while, and just decided to erupt finally, sweeping long standing dictatorships and uprooting them from their well protected thrones.
- However, the lava is still hot and flowing and its final stage has not been reached yet.
- What went “Right” this time???????

2- The Dire Socio-economic Conditions and Labor Market Dilemma

"What were the socio-economic factors that spurred the revolution?"

We distinguish three main areas of inherent instability that must have contributed in triggering the uprisings, namely:

- **Economic Growth: Captured by the "Influential Few".**
- **The Unmet Employment Aspirations**
- **Modest Human Development, Growing Poverty and Inequality**

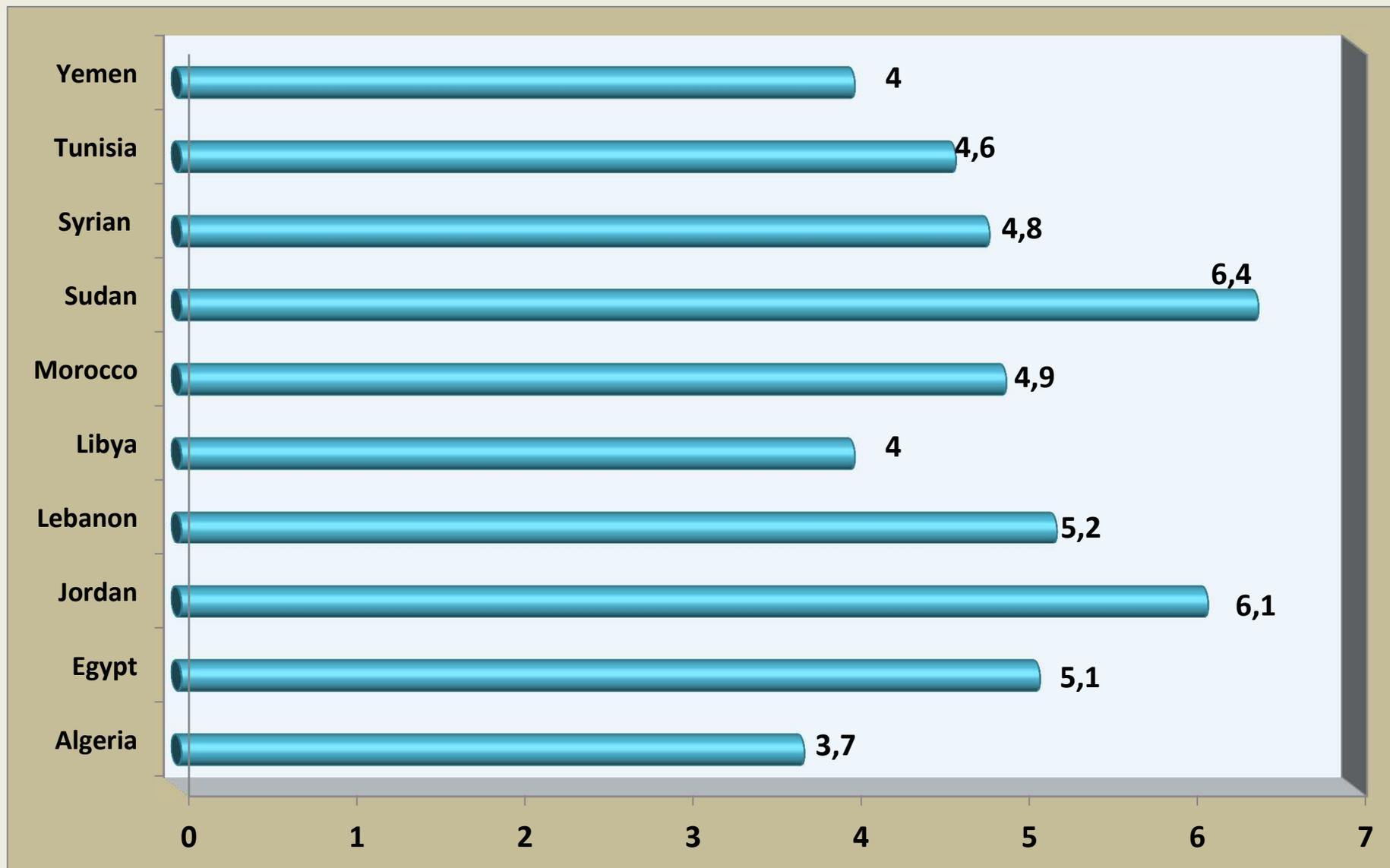
A- Economic Growth: Captured by the "Influential Few".

The implementation of (ERSAP) in the eighties and the beginning of the nineties, most of the ANOC eventually started to rely more heavily on the domestic and international private investors in buying out the public sector companies and adding new investments.

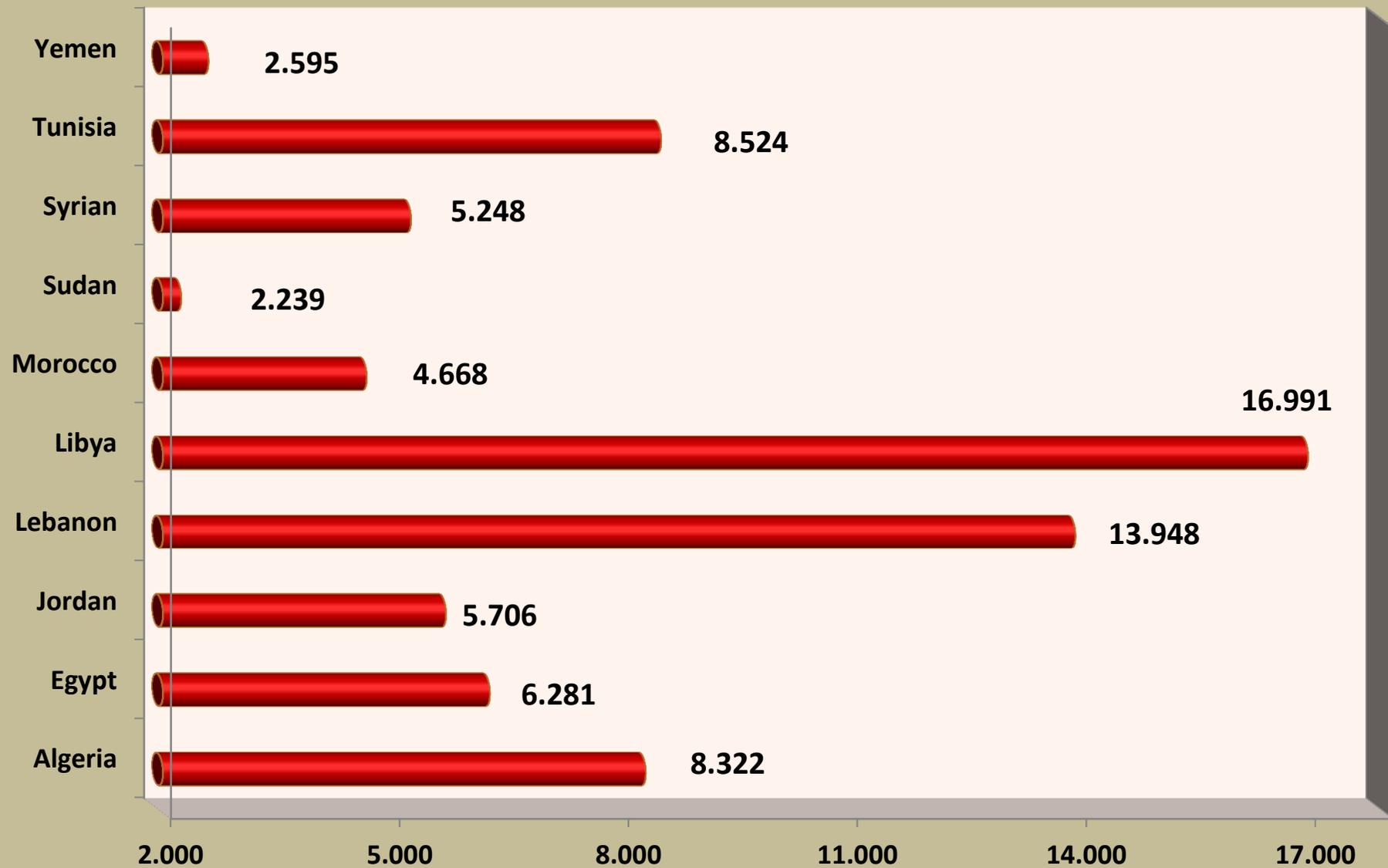
The cooperation between the domestic businessmen and the foreign newcomers resulted in **a high degree of wealth concentration in the hands of the "FEW".**

In countries like Egypt, Tunis, Yemen, Libya the gravity of the problem was exacerbated by the role **of the presidential families and their cronies by controlling major economic deals, and realizing thereby staggering profits.**

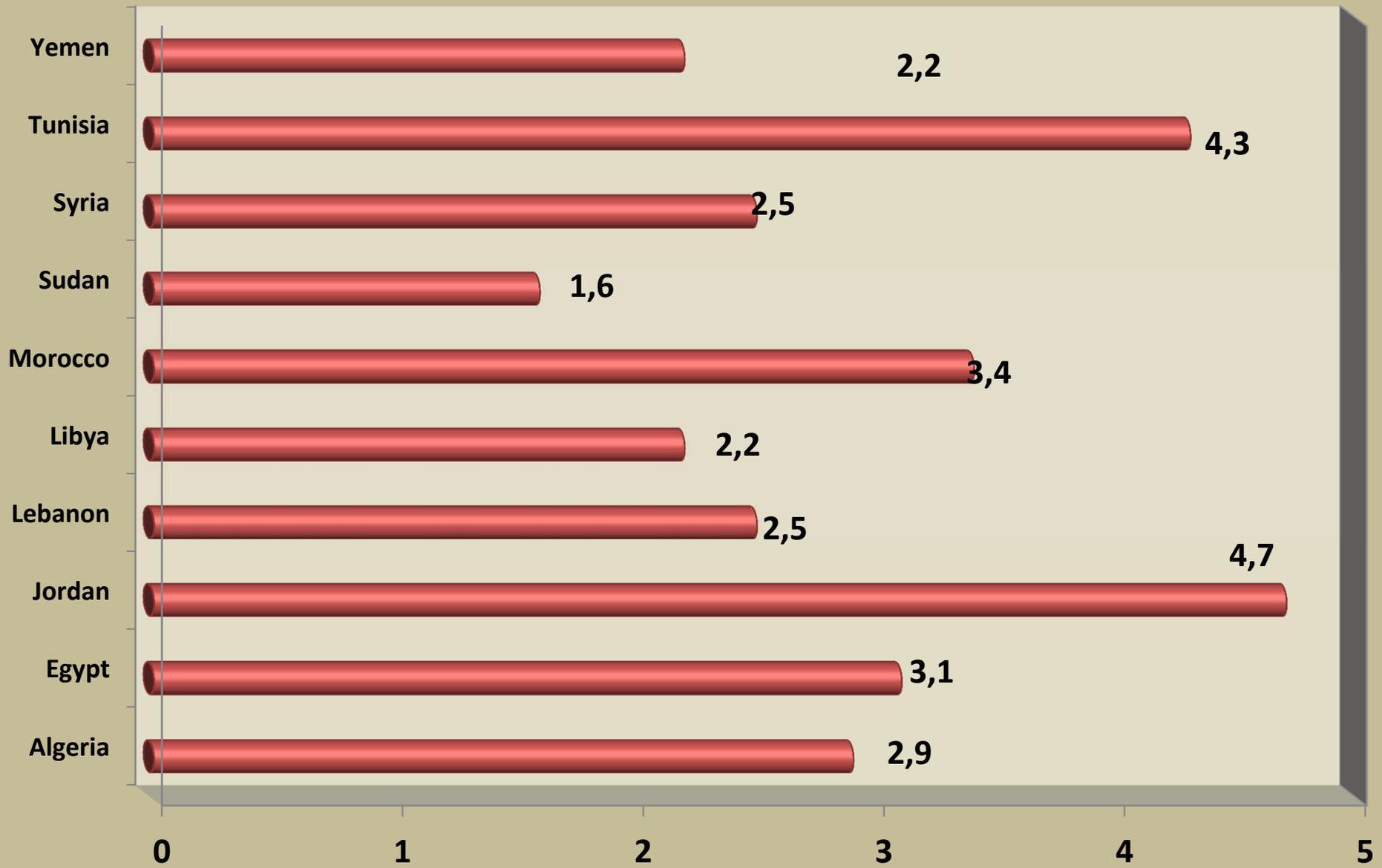
The GDP growth rates of the Arab Countries during 2001-2010



GDP per capita in a selected group of Arab countries (\$PPP)



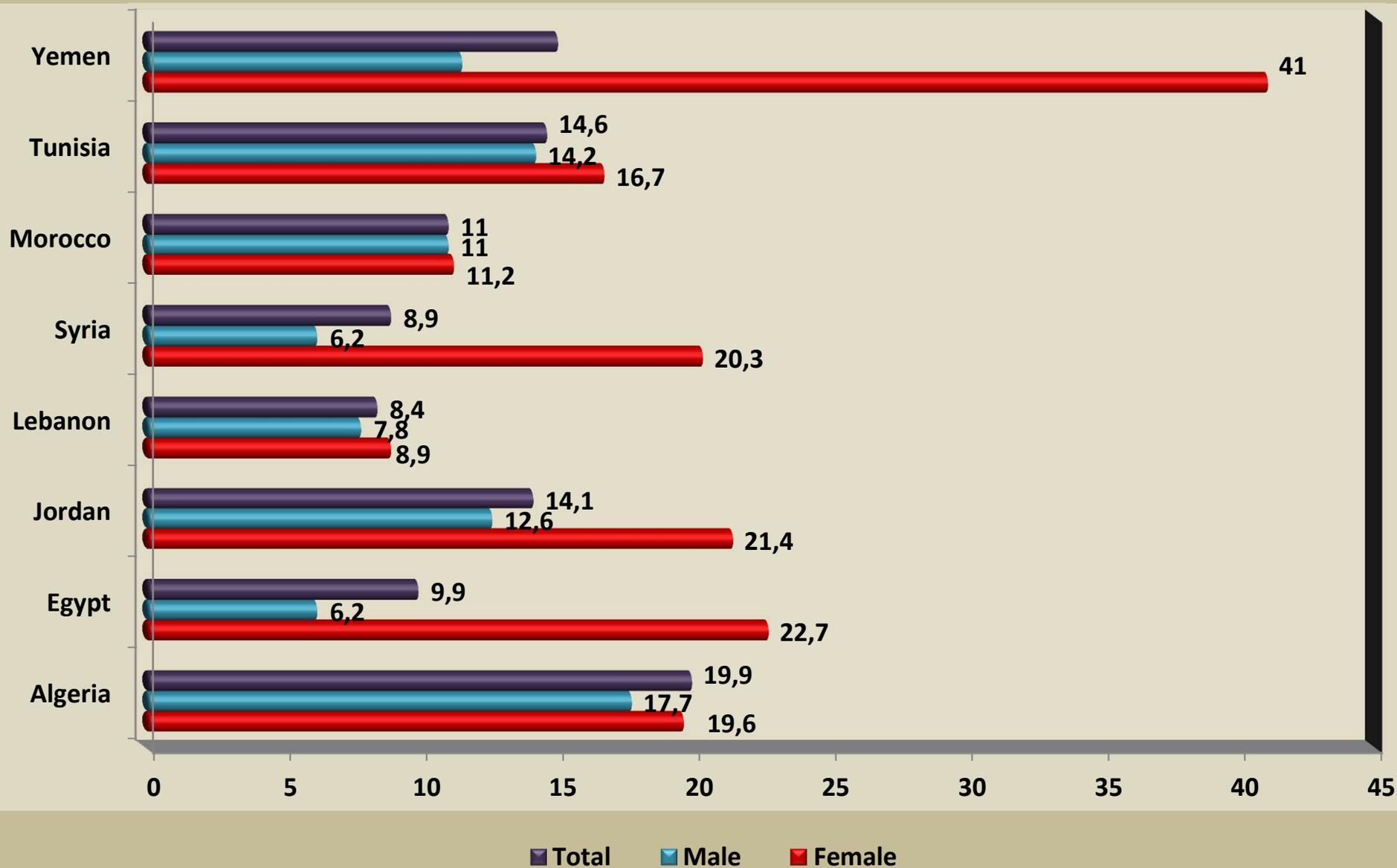
Transparency International World Corruption Perception Index in 2008-2010



B- The Unmet Employment Aspirations

- Almost all AC are characterized by their high population and labor force growth rates, young population, and relatively limited participation rates.
- Unemployment is one of the main chronic problems that have been encountering those countries during the last two decades and until the present time.
- The pressure to create employment opportunities is exacerbated by the fact that the labor force growth rate is rapid and significantly higher than that of the population growth rate.
- The relatively high population growth rates during the eighties and nineties resulted in a youth bulge in the new millennium.

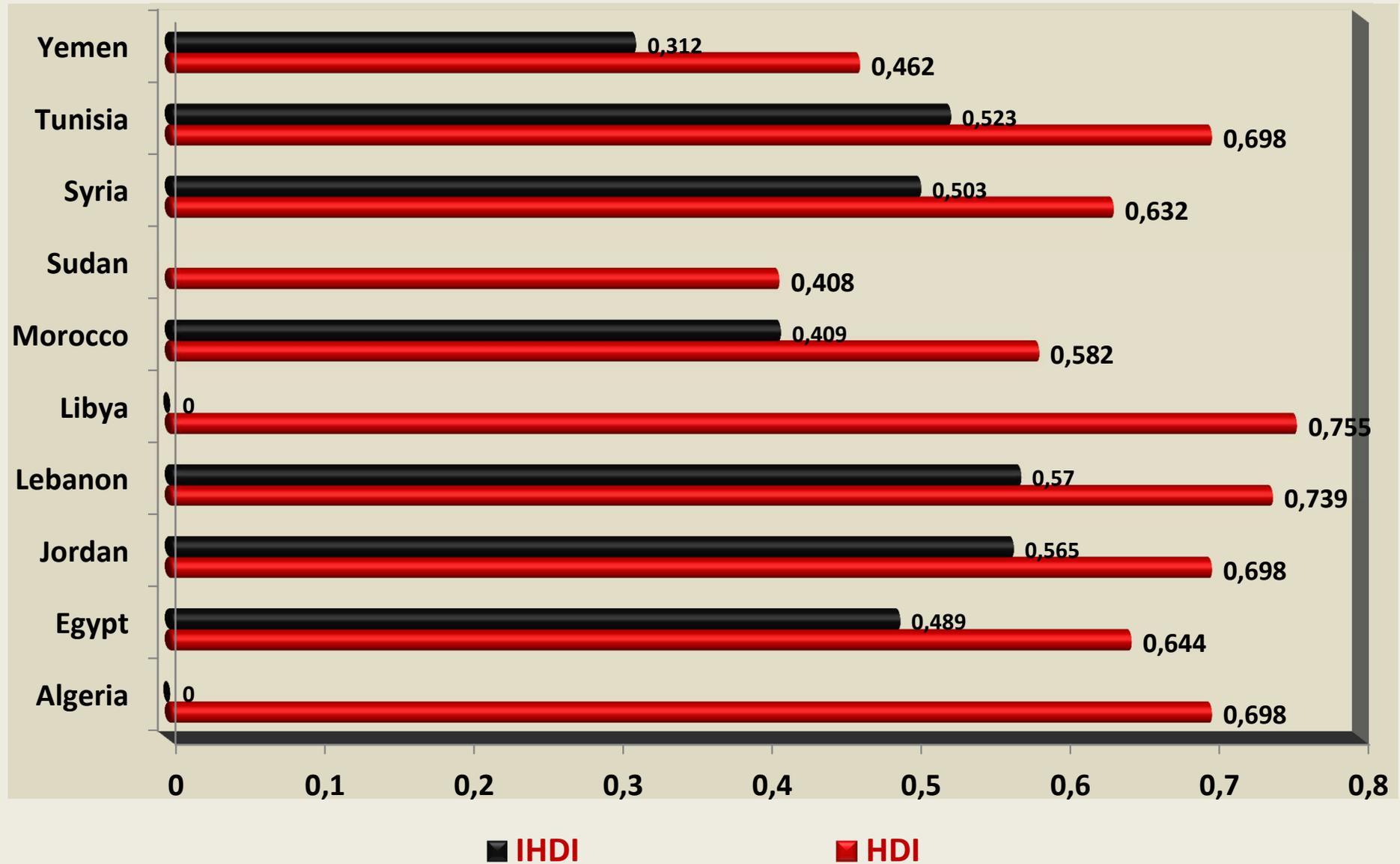
Unemployment Rates in the Arab Countries in 2008



C- Modest Human Development, Growing Poverty and Inequality

Despite the efforts by the different governments in the AC to push the development process forward, by adopting development agendas and seeking to comply by the Millennium Development Goals, the successes achieved in the financial indicators and the economic growth rates, was not matched by similar achievements where human development indicators, poverty and inequality levels were concerned.

Inequality-adjusted Human Development Index in 2011



3- Future Prospects

Final Remarks

- The first three countries, Tunisia, Egypt and Libya are moving through different stages of political change. Tunisia is by far the most advanced in this respect, while in Egypt the progress is slower and unstable. Libya is still at the early stages of its liberation.
- The length of the process of transformation in terms of time.
- The three models are different in their economic structures,
- The three first Arab Spring countries share one common feature in the present time, namely, that the rising powers in them are basically the Islamic groups.

Finally,,,,,

- The current economic situation in Egypt and Tunisia, could be described as vulnerable.
- The apparent economic challenges and the inability of the transitory governments to cope with the constraints leave the complicated socio economic situation unresolved and thus the problems are worsening.
- The future developments depend on the longevity of the transition phase, the planned and implemented policies during the transition period and after the elections.



Thank you.