

March 2021

# KAS PoDiMed Survey 2020

Regional Program Political Dialogue South Mediterranean



## Economics in the Middle East and North Africa

*What are Public Perceptions in the Region?*

### Executive Summary

Today, economies across the Middle East and North Africa (MENA) face significant challenges. The combination of the COVID-19 pandemic, the collapse in oil prices and the decline of tourism have all posed significant burdens on the economies of the region.<sup>1</sup> These new challenges accompany a host of numerous long-term economic legacies that continue to plague the region's economic progress including high unemployment, especially among youth, low female labor market participation rates, the poor quality of education, and high military and security spending in most countries.

The COVID-19 pandemic is placing increasing burdens on many countries. Economic activity has been severely damaged due to COVID-related restrictions, causing enormous economic losses to businesses across the region. In Jordan, for example, the decrease in foot traffic around major retail hubs declined by as much as three quarters in 2020. Employment losses have spiked, even while overall unemployment remains a serious concern. IMF estimates indicate the annualized growth rate across MENA will be -4.7% for 2020,<sup>2</sup> and the World Bank estimates that the income shock due to the pandemic will leave tens of millions of Arab citizens below the \$5.50 per day poverty line by the end of 2021.<sup>3</sup>

The situation in Lebanon is even more dire. Human Rights Watch has warned that millions of people in the country are at risk of famine.<sup>8</sup> Among poor Lebanese, suicides due to insolvency and desperation have surged.<sup>9</sup> The COVID-19 crisis accelerated Lebanon's implosion and further harmed the country's most vulnerable sectors of the population. And then, on August 4, the Beirut Port explosion brought the country to its knees.

The Regional Program Political Dialogue South Mediterranean of the Konrad-Adenauer-Stiftung (KAS PoDiMed) 2020 survey highlights the impact of these economic realities on the daily lives of Arab citizens. Economic conditions have been a major challenge and one of the central driving factors behind the Arab uprisings of 2011. At the time of the Arab uprisings, minorities of citizens across the region rated conditions as good or very good, with roughly a third (34 percent) holding this view across ten countries surveyed by Arab Barometer. Yet, a decade later, the percentage who hold this view is even lower on average. The last decade has not brought the region much economic success. Perhaps even most alarming is that only three percent of Tunisians believe their economies are good. At the eve of the Arab Spring, right after the departure of Ben Ali, a full 29 percent of Tunisians believed their economy was good. Democracy in Tunisia has not brought Tunisians the economic prosperity they fought for on their own streets during the Arab uprisings and subsequent protests across the country.

<sup>1</sup> <https://www.worldbank.org/en/region/mena/publication/mena-economic-monitor>

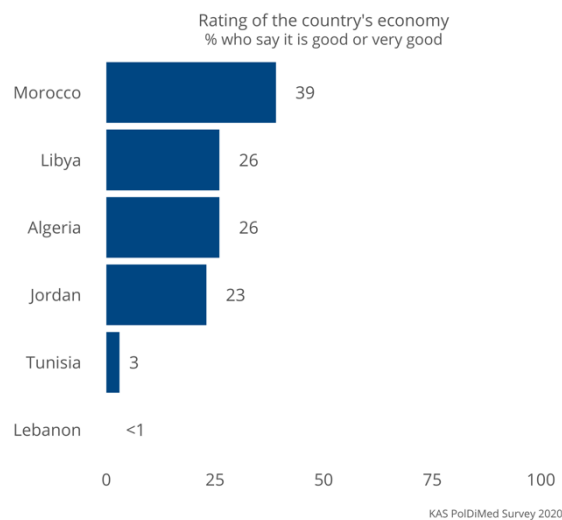
<sup>2</sup> <https://www.imf.org/en/Publications/REO/MECA/Issues/2020/07/13/regional-economic-outlook-update-menap-cca>

<sup>3</sup> <http://pubdocs.worldbank.org/en/356361599838768642/Global-Economic-Prospect-2021-Analysis-MENA.pdf>

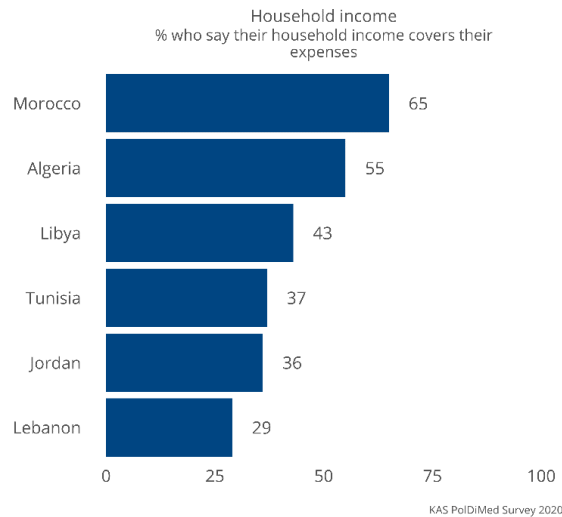
These findings are based on nationally representative public opinion surveys that included approximately 1,800 respondents in six countries: Algeria, Jordan, Lebanon, Libya, Morocco, and Tunisia, with a total of 10,841 respondents. Respondents were chosen randomly, meaning the results can be generalized to the broader population. The surveys were weighted to account for any random variations that may exist by gender, age, level of education, or geographic area. The margin of error for each country is less than  $\pm 3$  percent. All interviews were conducted between October 26 and December 8, 2020. The surveys were conducted on behalf of the Regional Program Political Dialogue South Mediterranean of the Konrad-Adenauer-Stiftung (KAS PoDiMed) by Arab Research and Analytics Associates (ARAA).

## Economic Conditions

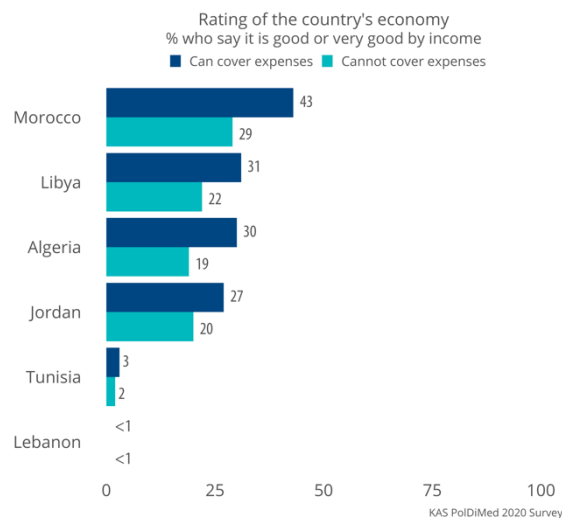
The percentage of citizens who believe their economies are doing well is very low. In no country do more than half state that their economies are good or very good. Although 39 percent rate economic performance as good or very good in Morocco, only about a quarter say the same in Libya (26 percent), Algeria (26 percent) and Jordan (23 percent). Meanwhile, economic ratings are dismal in both Tunisia (3 percent) and Lebanon (<1 percent). Important to note is that these ratings are quite stable across all demographic groups. Overall, women and men, educated and less educated, and youth and the adult populations all systematically assess their economies quite similarly.



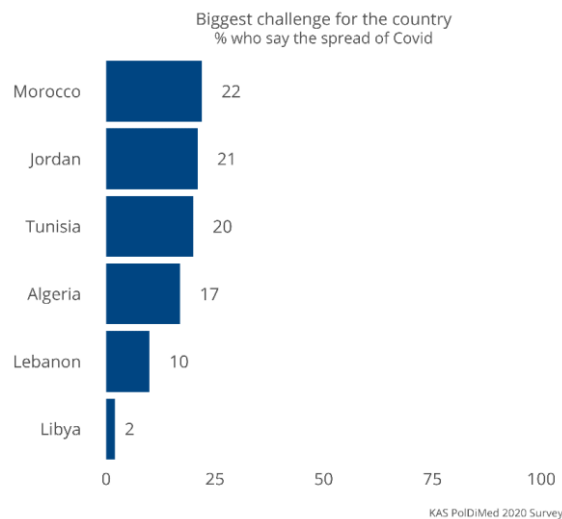
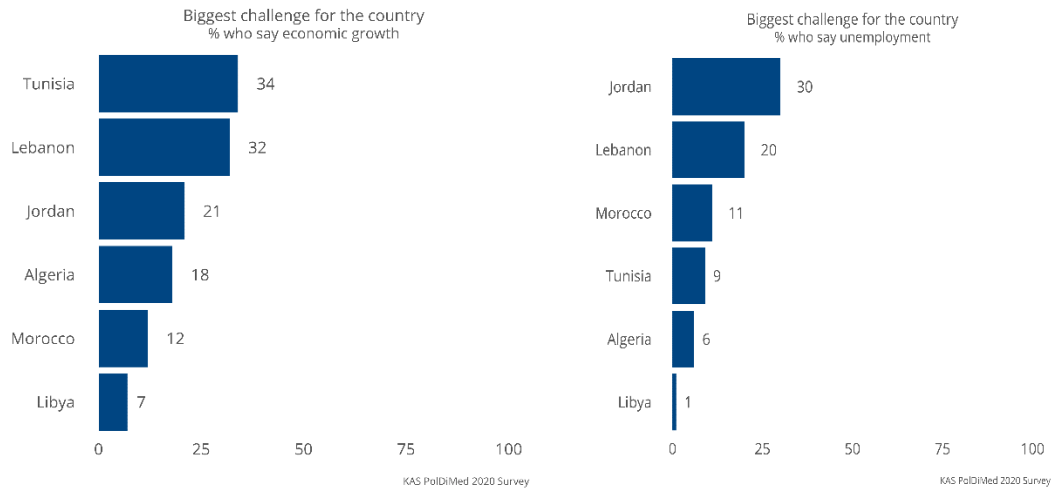
Majorities across most countries, with the exception of Morocco and Algeria, report that they can't cover their expenses. While 65 percent of Moroccans and 55 percent of Algerians state that their income covers their expenses, this was not the case for the remaining four countries in our sample. Only 43 percent of Libyans, 37 percent of Tunisians, 36 percent of Jordanians, and 29 percent of Lebanese report that their incomes can cover their expenses. Unsurprisingly, in countries like Lebanon, Jordan and Tunisia, ongoing protests continue to address these economic realities.



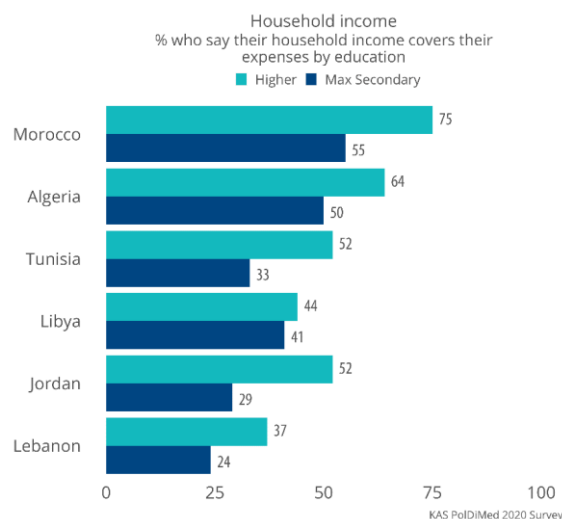
Notably, household economic conditions affect views of the overall country’s position. Citizens who are well off enough to meet their basic expenses are far more likely to rate economic conditions positively, including by 14 points in Morocco, 11 points in Algeria, 9 points in Libya, and 7 points in Jordan.



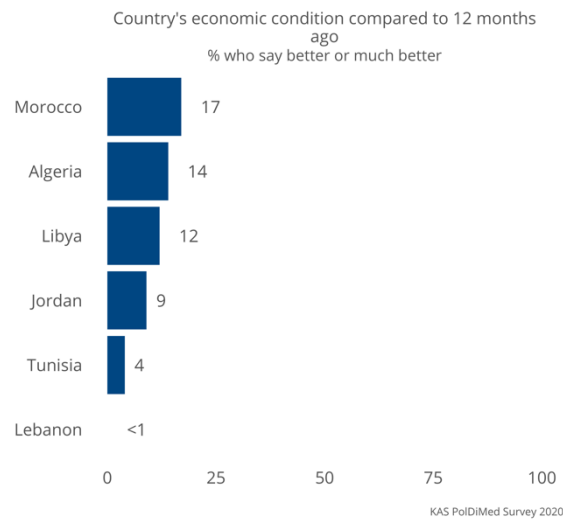
When citizens were asked about the most serious challenges facing the region, respondents across all countries cited economic problems. When given a list of several priority items to choose from, including controlling the spread of COVID-19, arguably the most pressing issue confronting every country in the world, Arab citizens still placed economic growth above the containment of COVID-19, signaling its overall severity. On average, 21 percent of those in the countries surveyed state economic growth as a top priority with significant percentages in Tunisia, Jordan and Lebanon pointing to this priority. By comparison, just 15 percent of Arab citizens in the countries surveyed mention the containment of the spread of COVID as a key challenge while another 13 percent name unemployment as the biggest challenge in their country.



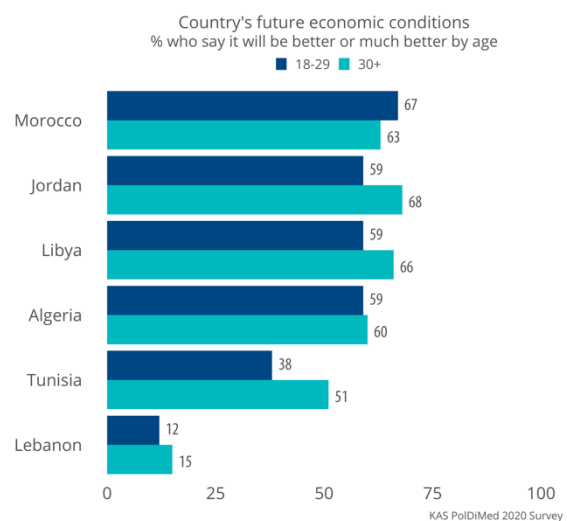
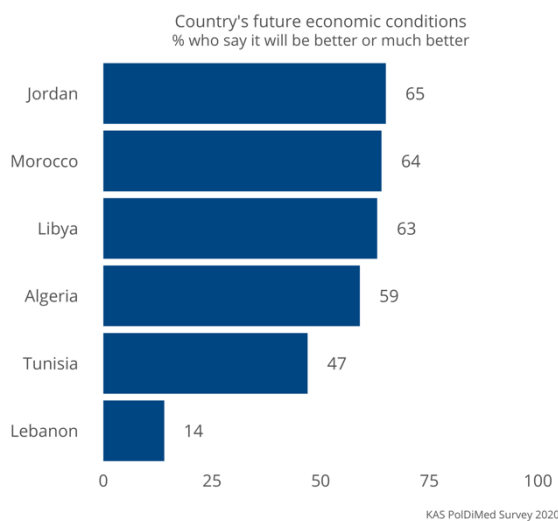
Human capital, as measured by level of education, appears to matter for the economic viability of households. In every country, those with higher levels of education report that their household income covers their expenses. Those with a university education are most likely to say they can cover their expenses in Morocco (75 percent) compared to just 37 percent in Lebanon. However, within countries, the largest gaps between those with a college degree and those who are less educated are in Jordan (23 points), Morocco (20 points), and Tunisia (19 points). This consistent finding suggests that inequalities appear to be significant in these countries as well.



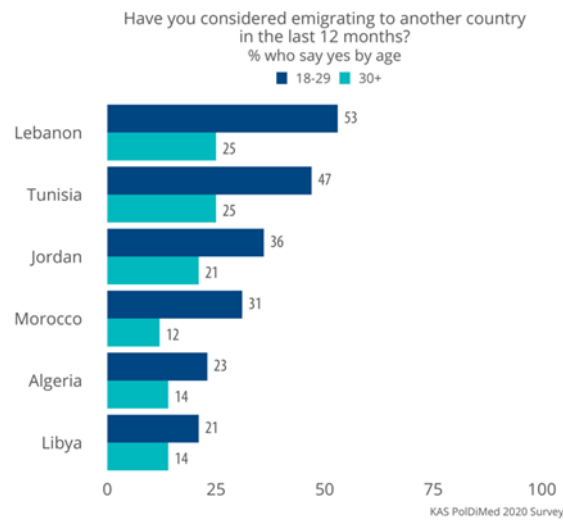
Not only are economic conditions seen as poor today, but Arab publics perceive that the situation has deteriorated over the past year. Fewer than one-in-five say that economic conditions are better than twelve months ago in all countries, with just 17 percent in Morocco, 14 percent in Algeria, twelve percent in Libya, nine percent in Jordan, four percent in Tunisia, and less than a percent in Lebanon holding this view. Given the effects of COVID on economies across the region and beyond, it is unsurprising that very few perceive economic conditions as better than before. However, this finding highlights the massive challenge facing governments in the region as countries now must cope with additional economic dislocations due to COVID.



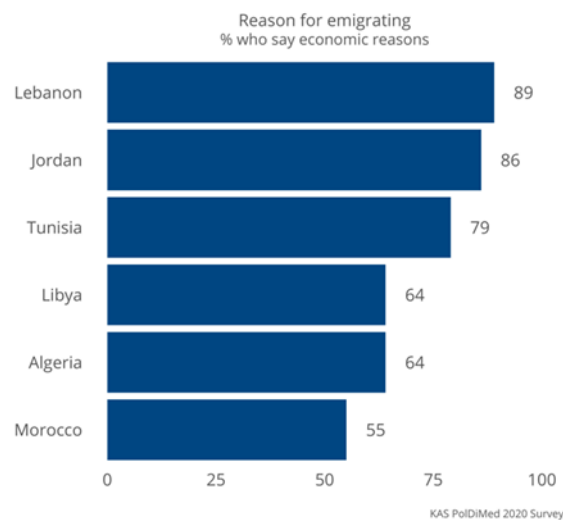
Despite current economic hardships, Arab publics are relatively optimistic about the future. Majorities say that the country's economic future will be better in twelve months' time in Jordan (65 percent), Morocco (64 percent), Libya (63 percent), and Algeria (59 percent). Tunisians are somewhat less hopeful, but still nearly half (47 percent) say they expect economic conditions to improve. Among the publics surveyed, only Lebanese do not expect significant improvements with just 14 percent being optimistic. These findings accord with previous Arab Barometer surveys that have consistently found that despite ongoing challenges Arab publics are largely hopeful about their futures.



These results remain quite similar when looked at different demographic groups. Overall, women and men, educated and less educated, and individuals from different economic groups hold these views. Views of youth (18-29) mirror adults (30+) in holding these views, with the exception of Tunisia, where only 38% of the youth compared to 51% of adults hold these optimistic viewpoints. This speaks to the direct employment conditions facing youth in Tunisia. According to Mongi Boughzala, “The share of [Tunisian] unemployed people who are younger than 35 years old is 85 percent. And the higher the level of education attainment, the higher the rate of unemployment: 40 percent of the unemployed have university degrees.”<sup>4</sup> These trends don’t bode well for the future stability in Tunisia. Already previously reported<sup>5</sup>, the share of Tunisian youth who wish to migrate (47 percent) is one of the highest in the region and is only second to Lebanon (53 percent) among countries surveyed.



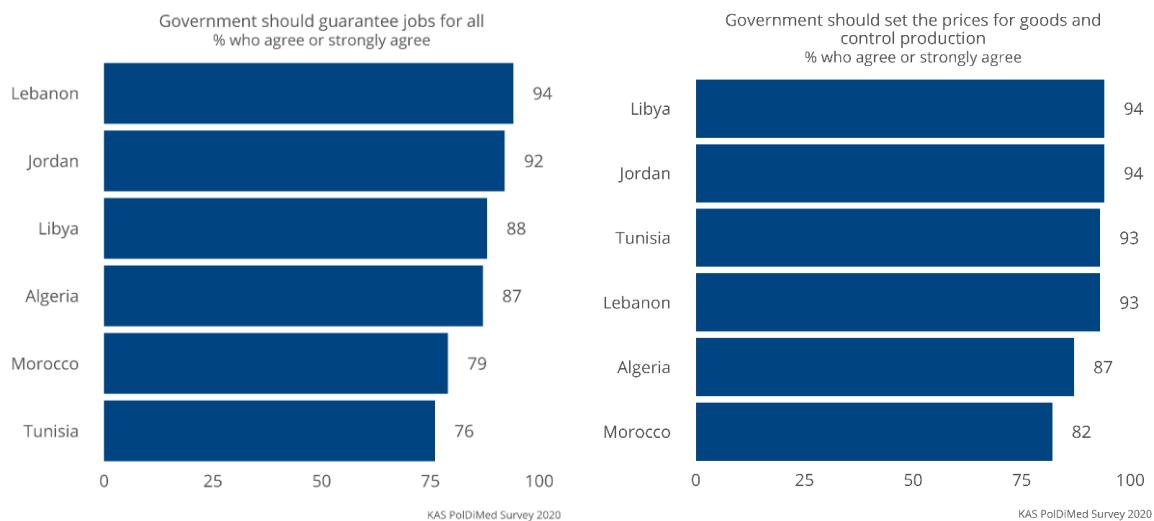
More generally still the vast majority of MENA citizens who report that they would like to emigrate suggest that it’s because of economic factors.



<sup>4</sup> <https://theforum.erf.org/2019/05/07/unemployment-tunisia-high-among-women-youth/>

<sup>5</sup> [KAS PoDiMed Survey Migration in the Middle East and North Africa Report](#)

It is no surprise that citizens want their governments to play an important role in ameliorating economic conditions across their countries. Clearly citizens place the responsibility on governments. The vast majority of citizens want to see governments play a more fundamental role in their economies, in effect overturning decades of austerity measures aimed at economic liberalization and privatization. More than 75 percent in all countries surveyed wants the government to guarantee every individual a job. This percentage is highest in Lebanon (94 percent), Jordan (92 percent), and Libya (88 percent). Further an overwhelming majority – at least 82 percent in each country surveyed – believes the government should set price and production targets. With Libyans, Tunisians, Jordanians and Lebanese heavily favoring such policies with over 90 percent support for government intervention in the free market. More notably, there’s not much variation across different demographic groups. These views are shared equally across all segments of the population in each country.



## Conclusion

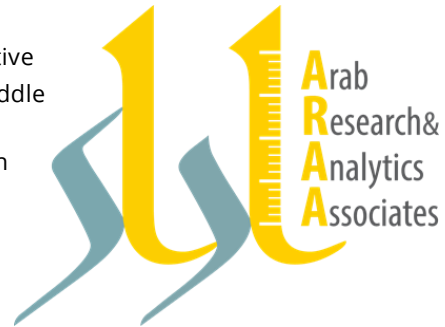
Economic conditions will continue to be a major issue that occupies the lives of ordinary citizens in MENA. High cost of living, coupled with high inflation, and reduction in government subsidies on basic goods will continue to place pressure on families throughout the region. COVID-19 has further exacerbated these economic conditions. Significant percentages across the six countries surveyed report that their incomes are not sufficient to cover household expenses.

While optimism is quite high that economic conditions will improve in the upcoming years, it’s worth noting that higher expectations will result in more severe disappointment if MENA economies fail. These conditions may set the stage for further protests across the region, should these economies continue to stagnate and not meet citizen aspirations.

Citizens, it appears, directly hold governments responsible for their economic circumstances. Overwhelming majorities across the region would like their governments to provide jobs and control prices and regulate production and price targets. These demands would overturn the last several decades of privatization and austerity measures designed to reduce the size and footprint of the public sector in MENA economies. Whether market reforms, privatization and globalization can lift MENA economies in the years to come is the key fundamental issue that will determine the future stability of MENA.

**Conducted by:**

**Arab Research and Analytics Associates (ARAA)** is a collaborative team of analysts specializing in public opinion research in the Middle East and North Africa. Its team combine decades of experience surveying this region in more than 20 countries. ARAA works with its clients to gather reliable and accurate data on public opinion across the region. ARAA has conducted surveys on behalf of Konrad-Adenauer-Stiftung, Stanford University, and Deakin University, among others. For more information, visit [www.araaconsulting.com](http://www.araaconsulting.com) or contact [info@araaconsulting.com](mailto:info@araaconsulting.com).



**About KAS PoDiMed:**

The **Regional Program Political Dialogue South Mediterranean** of the **Konrad-Adenauer-Stiftung (KAS PoDiMed)** implements transnational projects from Tunis with reference to the entire area of the southern (Maghreb) and eastern Mediterranean (Mashrek). It is designed to strengthen political dialogue, social and economic integration in the region and to promote long-term partnership with the European Union. The Konrad-Adenauer-Stiftung is a non-governmental German political foundation with over 100 offices worldwide and 12 programs in the MENA region. Nationally and internationally, we work for peace, freedom and justice through political education. The consolidation of democracy and development cooperation are our particular concerns. For more information, visit [www.kas.de/poldimed](http://www.kas.de/poldimed) or contact [info.poldimed@kas.de](mailto:info.poldimed@kas.de).



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