

# Model Arab League BACKGROUND GUIDE

Council of Arab Economics Affairs Ministers

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Original draft by Kate Hanchon, Chair of the Council of Arab Economics Affairs Ministers at the 2025 National University Model Arab League, with contributions from the dedicated staff and volunteers at the National Council on U.S.-Arab Relations

#### Honorable Delegates,

Welcome to Model Arab League, and to the 2025 Council of Arab Economics Affairs Ministers! My name is Kate Hanchon, and I am a sophomore at Converse University pursuing a degree in Art History and Studio Art, with a minor in Music. This is my second year participating in Model Arab League, having chaired the Economic Council at the 2024 Southeast Regional Conference as well as representing Syria on the Arab Court of Justice at the National University Model Arab League. I am deeply honored and excited to be your chair for this year's Economic Affairs Council, and I hope that your experience on this committee is just as fulfilling as my experiences with the model have been in the past.

The role of the Council of Economic Affairs Ministers is to consider the economic issues and opportunities that face the Arab States. You will make decisions and formulate solutions based on the economic activities and interests of the country you represent; you'll soon find that such solutions often impact far more than your country's financial situation. As you move through your research, I hope that you take into consideration both the guiding information I have included within this background guide and the information you find in your own exploration of this year's topics. When formulating solutions, I encourage you to be both creative and responsible—think outside of the box, but make sure that your solutions serve the best interests of the country you've been chosen to represent.

For many of you, this will not be your first Model Arab League experience. However, some of you are setting out into uncharted waters. I encourage and expect members of both parties to be diligent in their research, to work effectively with other delegates, and to respect the policies your country has set forth. Most importantly, I expect you to respect your fellow delegates and to participate enthusiastically in the council throughout the duration of the conference. Remember, no matter whether you're a veteran delegate or you've never held up a placard, this conference offers you an opportunity to learn and grow as a scholar, a speaker, and a diplomat. I encourage you to utilize that opportunity to its fullest during your time as a Model Arab League delegate.

If you hit a roadblock during your research and feel that you're in need of assistance, do not hesitate to reach out through email for help; my email address is <a href="mailto:klhanchon001@converse.edu">klhanchon001@converse.edu</a>. Best of luck in your preparation, and I cannot wait to work with you at conference this year.

Sincerely,

Kate Hanchon

Topic I: Assessing the impact of higher education on economic growth and creating methods for increasing educational and economic opportunities to avoid "Brain drain" throughout the League.

#### I. Introduction to the Topic

#### A. General Background

On a global level, higher education is defined as any education which takes place past the secondary level. This education can occur at colleges, universities, and professional or trade schools, and in the modern day it is often pursued as a means for improving job or career opportunities. Between 2000 and 2018, the global enrollment rate in post-secondary institutions rose by nearly 19%, marking an increase in worldwide interest in post-secondary education. This interest could be due to multiple factors—economic advancement may play a role, as well as the growing necessity of a higher education experience to achieve career goals. The potential for remote education is also a factor, as online programs and communication technology make accessing virtual learning opportunities easier.

"Brain drain" is a phenomenon occurring often in countries where working conditions and pay are not ideal, or where better conditions or opportunities can be found in other countries. When brain drain takes effect, highly skilled workers move from their native countries, where pay and conditions may not be ideal, to countries where they perceive the pay and opportunities will be more beneficial to them. Methods for combating brain drain have been considered by economists since the 1960s, but no concrete solution has been found.<sup>3</sup>

Generally, higher education has been proven to be a strongly reliable means for economic development. Within regions that have developed strong systems for higher education, studies have shown higher rates of job creation and labor productivity as well as decreases in poverty rates. Furthermore, it has been shown that as higher education is expanded within a given country, that country's GDP tends to increase as well.<sup>4</sup> A study conducted by UNESCO, including Egypt, Jordan, and Tunisia, found that each year of education received by a country's population causes an improvement of 3.7% in that country's economic growth rate. The case for higher education is expanded when considering its impact on the development of the workforce. Generally speaking, a post-secondary education tends to produce more capable workers in specialized fields, particularly within trade careers and the

<sup>&</sup>lt;sup>1</sup> https://www.britannica.com/topic/higher-education

<sup>&</sup>lt;sup>2</sup>https://www.iesalc.unesco.org/en/2020/12/23/understanding-access-to-higher-education-in-the-last-two-decades/#:~:text=There%20are%20many%20barriers%20to,and%20some%20forms%20of%20discrimin ation.&text=One%20of%20the%20reasons%20some,cannot%20pay%20for%20their%20education

<sup>&</sup>lt;sup>3</sup> https://www.imf.org/external/pubs/ft/fandd/1999/06/carringt.htm

<sup>&</sup>lt;sup>4</sup> https://www.nature.com/articles/s41599-024-03013-5

field of scientific research. A more capable, trained workforce easily translates into a more effective economy as post-secondary institutions produce more qualified workers.<sup>5</sup>

Another important factor to consider is that there are several barriers that can prevent people from accessing higher education. Prominent examples include poverty, conflict, and geographic mobility, all of which make it difficult to enter the higher education sphere in the first place and may place a burden on those students during their education. In some cases, discrimination against certain groups may inhibit students' ability to be accepted into educational spaces and succeed in those spaces upon acceptance. For example, in many countries, women struggle with access to higher education; this is particularly true within the MENA region. Poverty levels have a significant impact on access to education, particularly womens' education. Societal expectations within many MENA countries lead to early marriage among women—a phenomenon which has been shown to decrease educational opportunities. Additionally, even when women gain access to higher education, they are less likely to enter and maintain a place in the workforce after that education is gained. While this may be due to an overall lack of career opportunity within the region, it is still a relevant factor to take into consideration.

#### **B.** History in the Arab World

The history of education in the Arab world is a long one, but the university system as it operates today is a relatively recent establishment within the region. While universities were established during the Western occupation of the region, more robust systems of public higher education within the Arab League were only founded and further developed once Arab nations gained their independence from Western colonization. The university as we know it today was established within the Arab region as a symbol of nationalism as newly formed governments attempted to develop their nations and build systems to support the public. As such, many League member countries have strong foundations for public education systems. The United Arab Emirates and Qatar, for example, have long histories of supporting publicly funded higher education institutions. Another strong example of the public university system within the League is Egypt, with its first private university being around 1100 years old. Its most widely known institution is Cairo University, a formerly private institution that became a

<sup>&</sup>lt;sup>5</sup> https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10112826/

<sup>&</sup>lt;sup>6</sup>https://www.iesalc.unesco.org/en/2020/12/23/understanding-access-to-higher-education-in-the-last-two-decades/#:~:text=There%20are%20many%20barriers%20to,and%20some%20forms%20of%20discrimin ation.&text=One%20of%20the%20reasons%20some,cannot%20pay%20for%20their%20education

<sup>&</sup>lt;sup>7</sup> https://www.prb.org/wp-content/uploads/2003/11/EmpoweringWomeninMENA.pdf

<sup>&</sup>lt;sup>8</sup> https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8345317/

<sup>&</sup>lt;sup>9</sup>https://muse.jhu.edu/pub/50/oa\_monograph/chapter/3316183#:~:text=As%20in%20Europe%2C%20Africa%2C%20and,circles%20(halqa%2C%20Arabic)

<sup>10</sup>https://muse.jhu.edu/pub/50/oa\_monograph/chapter/3316183#:~:text=As%20in%20Europe%2C%20Africa%2C%20and,circles%20(halqa%2C%20Arabic)

state-run university in the early 1900s. Cairo University boasts over 20 locations throughout the country and has served as an example for many Arab universities since its establishment. It contains schools in a wide range of fields, including the arts, sciences, language, and education.<sup>11</sup>

While Egypt's system may be a strong example of public education systems at work, it is also important to note that the shift towards privatized systems of post-secondary education has become more widespread in recent years as the goals of higher education shift.<sup>12</sup> Previously, higher education in the Arab States stood largely as a symbol of nationalism and development within the region. However, in recent years, a quality post-secondary education has become more important to citizens seeking work.<sup>13</sup> Furthermore, as the world economy develops into one that values more technical and specialized work, post-secondary education has become a near requirement for those hoping to succeed within the workforce. This shift in priority has become evident in the programs offered by universities within the League; while schools previously placed emphasis on fields such as agriculture and manufacturing, the focus has shifted towards careers such as the sciences and technology-related subjects. A good example of this phenomenon is found in Qatar's recent interest in cybersecurity. The sector has been immensely lucrative in recent years, with a value of \$11.8 billion in 2022 and an expected growth to \$24.4 billion by 2027.<sup>14</sup> In July, it was announced that Qatar's National Cyber Security Agency would launch a National Cyber Security Academy, the aim of which is to educate cybersecurity professionals within the workforce and further the public's knowledge of cybersecurity threats and preparedness.<sup>15</sup> Such a program offers a good example of the advanced education required in many new and developing industries and shows the skills needed for a worker to succeed in the modern economy.

Women's education within the region is another interesting point of consideration. Studies have shown that while many women have gained access to secondary and higher education

 $<sup>^{11}</sup> https://unesdoc.unesco.org/in/documentViewer.xhtml?v=2.1.196\&id=p::usmarcdef\_0000140701\&file=/in/rest/annotationSVC/DownloadWatermarkedAttachment/attach_import_164f210d-b99d-4000-b05f-047606987cd7%3F_%3D140701eng.pdf&locale=en&multi=true&ark=/ark:/48223/pf0000140701/PDF/140701eng.pdf#%5B%7B%22num%22%3A277%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%22XYZ%22%7D%2Cnull%2Cnull%2C0%5D$ 

<sup>&</sup>lt;sup>12</sup>https://unesdoc.unesco.org/in/documentViewer.xhtml?v=2.1.196&id=p::usmarcdef\_0000140701&file=/in/rest/annotationSVC/DownloadWatermarkedAttachment/attach\_import\_164f210d-b99d-4000-b05f-047606987cd7%3F\_%3D140701eng.pdf&locale=en&multi=true&ark=/ark:/48223/pf0000140701/PDF/140701eng.pdf#%5B%7B%22num%22%3A277%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%22XYZ%22%7D%2Cnull%2Cnull%2C0%5D

<sup>&</sup>lt;sup>13</sup>https://muse.jhu.edu/pub/50/oa\_monograph/chapter/3316183#:~:text=As%20in%20Europe%2C%20Africa%2C%20and,circles%20(halqa%2C%20Arabic)

<sup>&</sup>lt;sup>14</sup>https://oxfordbusinessgroup.com/reports/qatar/2024-report/ict/enhanced-connectivity-advancements-in-cybersecurity-and-cloud-computing-capabilities-underscore-commitment-to-economic-diversification-overview/

<sup>&</sup>lt;sup>15</sup>https://www.qna.org.qa/en/News%20Area/News/2024-07/15/0050-ncsa%C2%A0announces-establishment-of-national-cyber-security-academy

within recent years, the quality of that education can vary, with quality being strongly dependent on the country in which the education is being received. For example, women in MENA countries are twice as likely to be illiterate as men are, with that gap expanding in countries such as Yemen, where the education system already suffers from a lack of funding. 16 The rate of women's education has a direct impact on the job opportunities presented to women within the region. While only 20% of women are employed in most MENA countries, many of those who do not work in the agricultural sector are collegeeducated and work in government jobs or the private sector.<sup>17</sup> Cultural beliefs also play a role in the career and education opportunities presented to women. In Gulf countries, jobs deemed unsuitable for women are often filled by foreign workers, a system which limits domestic career opportunities for women within those countries. 18 While cultural beliefs play an important role in the function of a nation and its social environment, opening economic and educational opportunities to women and enhancing the quality of womens' education is an excellent means of advancing both the economic development and the capability of the workforce in Arab countries.<sup>19</sup>

When considering the recent history of Arab education systems, it is important to note the few nations that have not established robust public systems of higher education. Countries like Lebanon and Palestine have had extensive histories of conflict which have created significant barriers to the establishment of systems of higher education. The result of these barriers has been a stronger focus on privatized education within the region, but even such private institutions have struggled to make a significant impact due to regular conflict, especially in the case of Palestine's recent occupation.<sup>20</sup> It is also essential to take into account the economic issues that may arise from increased higher education. While higher education has historically been cited as a reliable means of career advancement both within the League and globally, one of the most consistently apparent problems arises when one considers the job prospects of students graduating from post-secondary institutions. While it is true that many modern career paths, namely the fields of science and technology, require some degree of higher education, it turns out that graduated students face unemployment more frequently than any other demographic within Arab League nations. Notable examples of this phenomenon include Egypt, Jordan, and Lebanon, whose graduate unemployment rates are 27%, 15%, and 11% respectively. 21 Considering the potential negative implications of higher education on the workforce and job market is important when formulating solutions to the issue.

<sup>&</sup>lt;sup>16</sup> https://www.prb.org/wp-content/uploads/2003/11/EmpoweringWomeninMENA.pdf

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<sup>&</sup>lt;sup>19</sup> https://www.prb.org/wp-content/uploads/2003/11/EmpoweringWomeninMENA.pdf

<sup>&</sup>lt;sup>20</sup>https://muse.jhu.edu/pub/50/oa\_monograph/chapter/3316183#:~:text=As%20in%20Europe%2C%20Afri ca%2C%20and,circles%20(halqa%2C%20Arabic)

21 https://erf.org.eg/publications/financing-higher-education-in-arab-countries/

In recent years, several countries have attempted to further their higher education systems in hopes of improving economic opportunity. One particularly interesting sector of improvement was that of remote education during the COVID-19 pandemic. At that time, limited access to in-person classrooms forced universities to adapt to remote learning, causing sharp increases in digitally available classes and investment in education technology companies.<sup>22</sup> Improvements within this area may help increase access to education for those who cannot travel to in-person places of learning, but is limited by its dependence on internet access, which is not feasible for many places drastically impacted by poverty or conflict. One interesting method of increasing student success at the university level came out of Qatar, where primary and secondary education standards were revised to better match universitylevel standards; this change was made with the hope that a revision of those standards would prepare students for success at the university level and decrease the dropout level once students reached post-secondary institutions. Another relevant example from Qatar is the initiative to disconnect Qatar University from the government, a move which aims to allow the university to more easily and effectively modify its standards and curricula to better meet the needs of its students.<sup>23</sup>

# C. Finding a Solution to the Problem: Past, Present, Future

The economic impact of higher education on the Arab states in recent years has been great. Privatized education institutions within the League are worth billions of dollars and have become pivotal to the educational experiences of many students throughout the region.<sup>24</sup> One of the driving factors of educational expansion within the Arab League is the global economy–governments hope that by expanding their educational systems and creating more qualified workers, those workers will become more marketable to the global workforce and increase economic competitiveness.<sup>25</sup> While the goal of education investment is often to further develop the economy, in many cases it turns out that the inverse is true—when countries have stronger economies, the resulting monetary gain tends to be invested into quality higher education. Therefore, the importance of higher education lies not in its direct contribution to economic advancement, but instead in the quality of the graduates produced by that education. When governments invest in post-secondary education, quality programs and qualified graduates enter the workforce and contribute to the economic output of the countries in which they work, thereby advancing the economies of those countries.<sup>26</sup> Additionally, when considering the economic impact of post-secondary education, it must be noted that

22 https://www.mckinsey.com/industries/education/our-insights/reimagining-higher-education-in-menap

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<sup>&</sup>lt;sup>23</sup>https://carnegieendowment.org/research/2022/10/innovation-and-new-directions-searching-for-novel-paths-in-arab-education-reform?lang=en&center=middle-east

https://www.clacso.org/wp-content/uploads/2022/12/Informe-Region-Arabe.pdf

<sup>&</sup>lt;sup>25</sup> https://knowledge4all.com/admin/Temp/Files/4b7cee98-6021-410f-9132-b7b19770bf11.pdf

<sup>&</sup>lt;sup>26</sup>A causality analysis of the link between higher education and economic development: empirical evidence

there exist drawbacks to the expansion of higher education institutions. When looking to expand higher education, it is important to take into consideration the opportunities that already exist within the country or region in question. Too strong an emphasis on higher education may result in the oversaturation of the job market as an influx of qualified workers enters the workforce, which can be equally as problematic as an under-educated population.<sup>27</sup> A recent example comes from the United States, where 3.7% of graduated students face unemployment and 40% of post-secondary graduates work jobs which do not usually require a college education. Such an issue points to a disproportionate amount of qualified workers seeking an inadequate number of job opportunities.<sup>28</sup>

As previously mentioned, graduated students face unemployment at a higher rate than other demographics in Arab nations. This marks a severe inefficiency in the ability of League nations' workforces to adequately create jobs for those being educated in hopes of seeking careers. It is important to note here that studies have shown very little difference in the quality and success of the education received by students when comparing public and private institutions.<sup>29</sup> Therefore, it is pivotal for nations considering higher education as a means of economic advancement to consider first their job markets and how effectively students are able to find and sustain careers. Such considerations may begin with what kinds of programs are being offered to students—if the schools available at post-secondary institutions are not in line with the jobs that need to be filled within the market, then the purpose of continued education is lost for both students and the governments funding such programs.<sup>30</sup> It may also be prudent to consider how positions within higher education institutions can be turned into opportunities for students upon graduation. There exists a gap in availability for master's and doctoral programs in universities within the League-for example, while Cairo University offers numerous PhD programs at several locations, Jordan's university system offers only 2 schools with doctoral degrees. More than 90% of students in Saudi Arabia seeking doctoral programs do so outside of the country. A lack of opportunity within local economies leads to an exodus of talented workers who may have otherwise chosen to stay within their countries; this is a situation which removes the opportunity for economic advancement which may have presented itself were education and career opportunities available to students. Additionally, the majority of PhD programs offered in Arab countries are in the fields of Islamic studies,

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<sup>&</sup>lt;sup>27</sup> https://www.nature.com/articles/s41599-024-03013-5

<sup>&</sup>lt;sup>28</sup>https://www.latimes.com/business/story/2020-02-20/the-job-market-is-hot-so-why-are-half-of-u-s-grads-missing-out

<sup>&</sup>lt;sup>29</sup> https://erf.org.eg/publications/financing-higher-education-in-arab-countries/

<sup>&</sup>lt;sup>30</sup>https://unesdoc.unesco.org/in/documentViewer.xhtml?v=2.1.196&id=p::usmarcdef\_0000140701&file=/in/rest/annotationSVC/DownloadWatermarkedAttachment/attach\_import\_164f210d-b99d-4000-b05f-047606987cd7%3F\_%3D140701eng.pdf&locale=en&multi=true&ark=/ark:/48223/pf0000140701/PDF/140701eng.pdf#%5B%7B%22num%22%3A277%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%22XYZ%22%7D%2Cnull%2Cnull%2C0%5D

Arabic, and education.<sup>31</sup> While the study of such fields is worthwhile and necessary, such a gap leaves little opportunity for League citizens to pursue doctoral degrees in other fields without leaving their countries and therefore makes it more difficult for students to pursue careers within academia.

Another important area to consider when formulating solutions is educational access for students within conflict areas. A particular country of concern is Palestine, where public education systems have struggled to form due to a history of occupation. While privatized education has had more success in such areas, students still struggle to access education due to safety concerns as well as travel restrictions and lack of access to basic survival needs.<sup>32</sup> In addition to these concerns, it is also important to consider other barriers to access that may occur within League countries. Access to basic survival resources such as food and electricity is a concern in impoverished and/or conflict areas and may impact student's ability to begin and complete programs offered by universities. In 2018, it was found that only 10% of people within impoverished areas were able to access some form of post-secondary education.<sup>33</sup> This lack of availability to those in poverty means that higher education, at present, is doing very little to pull those in poverty out of financial difficulty. However, it has been found that populations with high rates of completed post-secondary education have some of the lowest percentages of poverty within the League, meaning that access to educational opportunity may help to alleviate poverty if that access can be expanded to reach more citizens.<sup>34</sup>

# II. Questions to Consider in Your Research

- A. Does your country already have a robust higher education system? What steps would need to be taken to build a strong system?
- B. What barriers to higher education exist within your country? How might those barriers be addressed, and what complications could arise when attempting to address them?
- C. How might expanding higher education opportunities serve to advance economic growth within your country? Is there opportunity for growth within already existing education systems?

<sup>&</sup>lt;sup>31</sup>https://unesdoc.unesco.org/in/documentViewer.xhtml?v=2.1.196&id=p::usmarcdef\_0000140701&file=/in /rest/annotationSVC/DownloadWatermarkedAttachment/attach\_import\_164f210d-b99d-4000-b05f-047606987cd7%3F\_%3D140701eng.pdf&locale=en&multi=true&ark=/ark:/48223/pf0000140701/PDF/140 701eng.pdf#%5B%7B%22num%22%3A277%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%2 2XYZ%22%7D%2Cnull%2Cnull%2C0%5D

<sup>&</sup>lt;sup>32</sup>https://muse.jhu.edu/pub/50/oa\_monograph/chapter/3316183#:~:text=As%20in%20Europe%2C%20Africa%2C%20and,circles%20(halqa%2C%20Arabic)

<sup>33</sup> https://www.iesalc.unesco.org/en/2020/12/23/understanding-access-to-higher-education-in-the-last-two-decades/#:~:text=There%20are%20many%20barriers%20to,and%20some%20forms%20of%20discrimin ation.&text=One%20of%20the%20%20reasons%20some,cannot%20pay%20for%20their%20education https://erf.ora.ea/publications/financing-higher-education-in-arab-countries/

D. How effective is your country's education system at preparing its students for careers, and how much of your country's workforce has received a higher education?

#### III. Questions a Resolution Might Answer

- A. How might nations within the region work in collaboration to ensure that students have reliable access to consistent and valuable education?
- B. How can post-secondary education be improved upon to foster job creation and reliable career paths for students upon graduation?
- C. What steps can be taken by relatively peaceful states to foster safe and reliable educational opportunities for students in conflict-impacted states?
- D. What can be done to expand educational opportunities to populations which are underrepresented within the workforce, and how can nations ensure that jobs will be available to students in underrepresented populations upon graduation?

#### IV. Additional Resources

• The University and the Arab World

A book by Elizabeth Buckner which gives a history of the modern university system within the Arab League. May be useful in establishing context for the development of the modern university within the region.

- Financing Higher Education in Arab Countries
  - An Economic Research Forum study which gives helpful data relating to the economic impact of higher education within Arab states, including the ways in which such education is funded both by governments and private institutions.
- A causality analysis of the link between higher education and economic development: empirical evidence
  - This study includes useful data regarding government spending on higher education as it relates to economic output.
- Understanding access to higher education in the last two decades

  A half-full DESCO article authorized a protection of the decades.
  - A helpful UNESCO article outlining potential barriers to education access on the global level. This contains a great deal of helpful data regarding issues with access to education across multiple regions.
- The right to higher education in the Arab States
  - This UNESCO briefing gives more specific examples of barriers to education within the Arab States. It has a good deal of data regarding specific countries within the League, and therefore may be a helpful starting point for research.

Topic II: Exploring the use of clean energy for reliable job creation and addressing issues of League-wide energy poverty and electricity access.

# I. Introduction to the Topic

#### A. General Background

Energy poverty is defined by the EU as occurring when households are using so little energy that it negatively impacts that household's quality of life. Energy poverty occurs when the price of energy is unsustainable, the household does not have enough income to support the price of energy, or when the structures and appliances where they live do not run efficiently, thereby raising the price of energy further.<sup>35</sup> In recent years, the issue has become more prevalent on the global level, with a predicted 775 million people living without access to electricity in 2022. Additionally, the prices of food and fuel are rising, making it even more difficult for those in poverty to access electricity and energy.<sup>36</sup> These issues have existed for years, but have been exacerbated by rising prices caused by the Russian invasion of Ukraine, a conflict which has had an immense impact on global fuel access. The lasting impacts of COVID-19 are also to blame as governments attempt to recover from the deficits caused by emergency spending during the pandemic.<sup>37</sup>

An economically beneficial solution to the issue may come from clean and sustainable energy resources. Global interest in clean energy has skyrocketed in recent years as concerns rise over the potential environmental impact of coal and fossil fuels, with the United Nations recommending that global emissions be reduced by 45% by 2030. Furthermore, the UN recommends that emissions must be eliminated completely by 2050 in order to slow the impact of climate change upon the planet.<sup>38</sup> Because of this, global investment in sustainable power sources has increased by 40% in recent years, with solar, wind, and hydropower being areas of particular interest.<sup>39</sup> The most notable example of clean energy's economic potential lies in job creation data; in 2021, there were 12.7 million jobs in clean energy worldwide, a number which increased by a million the following year. 4.9 million of those jobs were in solar photovoltaic power, 2.5 million were in hydropower and biofuels and an additional 1.4 million jobs were created through wind power.<sup>40</sup> It is estimated that a global transition to

coalition#:~:text=To%20keep%20global%20warming%20to,reach%20net%20zero%20by%202050.

<sup>35</sup> https://energy.ec.europa.eu/topics/markets-and-consumers/energy-consumers-and-prosumers/energy-poverty\_en#:~:text=Energy%20poverty%20occurs%20when%20a,performance%20of%20buildings%20and%20appliances

<sup>&</sup>lt;sup>36</sup>https://www.iea.org/commentaries/for-the-first-time-in-decades-the-number-of-people-without-access-to-electricity-is-set-to-increase-in-2022

<sup>&</sup>lt;sup>37</sup> https://www.iea.org/topics/global-energy-crisis

<sup>38</sup> https://www.un.org/en/climatechange/net-zero-

<sup>&</sup>lt;sup>39</sup> https://www.iea.org/reports/world-energy-outlook-2023/executive-summary

<sup>40</sup> https://www.irena.org/Energy-Transition/Socio-economic-impact/Energy-and-Jobs

sustainable energy could create 25 million more jobs by 2030 as more hands are needed to support the infrastructure required for such a transition.<sup>41</sup> Currently, however, the clean energy industry faces a shortage of workers, with almost 7 million jobs left open.<sup>42</sup> Such a shortage places a strain on efforts to expand clean energy but opens opportunities for countries looking to provide qualified workers for such positions. When looking at the economic potential of clean energy, areas such as job creation and infrastructure updates will be some of the most important to focus on.

# B. History in the Arab World

Energy poverty is of particular concern within the Arab world, as there are several countries in the region whose citizens do not have equal access to energy. In 2002, 65 million people in the Arab States did not have access to electricity.<sup>43</sup> Since then, access to electricity has become more common, with the United Nations stating in 2018 that access is now "almost universal." The number of people without electricity fell by 10 million between 2010 and 2018, marking a significant increase in access in recent years.<sup>44</sup> However, many countries still struggle with electrification, namely those which are currently developing or which have recently been subject to conflict. Iraq, Libya, the Syrian Arab Republic, Yemen, and Palestine have all dealt with the ramifications of conflict hindering energy access, with damaged infrastructure (namely power plants) causing significant energy access losses within their borders. 45 Furthermore, many nations within the League rely mostly on non-sustainable energy sources, which can be both detrimental to the environment and economically taxing. In Yemen, it was estimated that at least 74% of households relied on fuelwood or other biomass fuels in order to power their lifestyles and that spending on those biomass fuels actually increased among households living in poverty. This is particularly true among rural households, where infrastructure may not reach or be regularly maintained to working standards.46

<sup>41</sup> https://impact.economist.com/sustainability/green-skills-outlook/articles/new-green-energy-economy?utm\_medium=cpc.adword.pd&utm\_source=google&ppccampaignID=17210591673&ppcadID=&utm\_campaign=a.22brand\_pmax&utm\_content=conversion.direct-response.anonymous&gad\_source=1&gclid=CjwKCAjwtNi0BhA1EiwAWZaANJb\_uCVcaqgP83dGYmTH\_6p32oRRDj7XJbIdaCWKWSiFySMIFhOD4URoCld8QAvD\_BwE&gclsrc=aw.ds

https://www.bcg.com/publications/2023/will-a-green-skills-gap-put-climate-goals-at-risk

<sup>43</sup> https://www.oxfordenergy.org/wpcms/wp-content/uploads/2011/08/MEP 1.pdf

<sup>44</sup>https://sdgs.un.org/sites/default/files/2023-

<sup>06/2023%20</sup>Advancing%20SDG7%20in%20the%20Arab%20Region-061323.pdf

<sup>45</sup>https://sdgs.un.org/sites/default/files/2023-

<sup>06/2023%20</sup>Advancing%20SDG7%20in%20the%20Arab%20Region-061323.pdf

<sup>46</sup> https://www.oxfordenergy.org/wpcms/wp-content/uploads/2011/08/MEP 1.pdf

Of course, reliance on oil production also plays a role in the integration of sustainable energy within the Arab region. In nations such as Qatar, the United Arab Emirates, and Saudi Arabia, oil production and exportation make up a large percentage of GDP each year, which makes the transition to renewable resources a complicated one.<sup>47</sup> While it would seem as if oilproducing nations would resist a transition to clean energy, it turns out that these nations have been at the forefront of sustainable development in the Arab world. In recent years, Qatar has built a solar power plant capable of producing enough electricity to meet 10% of the nation's energy needs, while the UAE currently operates the world's largest solar power plant.<sup>48</sup> The UAE hopes to produce 44% of its energy sustainably by 2050, while Saudi Arabia hopes to produce 50% by 2030. The goal of these endeavors is to lessen domestic reliance on oil produced within the countries' borders in the hopes that this will leave more fossil fuels to be exported to foreign countries, thereby increasing GDP even further.<sup>49</sup> Increases in public reliance on solar power have also been noted, with Yemen serving as a particularly interesting example. The impact of conflict on infrastructure has led to more homes installing solar panels, with 75 and 50% of households relying on solar power in urban and rural areas respectively.<sup>50</sup> One relevant example of job opportunities relating to sustainable energy comes from Saudi Arabia, where significant steps are being taken to increase sustainable resources.<sup>51</sup> These steps are being undertaken as a part of Saudi Vision 2030, a government initiative seeking to improve job prospects in a variety of sectors. Increases in the sustainable energy sector as part of such an initiative will, in theory, create new jobs as new forms of power require workers to support them.<sup>52</sup>

Despite these increased efforts, however, more can be done to power the transition to sustainable energy resources within the region. According to UNESCO, the Arab region accounts for 3.3% of the world's research into cleaner methods of dealing with fossil fuels. In addition to this, less than 1% of the region's spending on research is devoted to sustainable energy.<sup>53</sup> While first steps have been taken by many Arab countries, these numbers remain relatively low, especially when considering how heavily the global economy relies on Arab nations for energy resources. However, recent years have shown a great deal of improvement in research statistics, with research output into sustainable development doubling between

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<sup>&</sup>lt;sup>47</sup> https://www.dw.com/en/how-the-gulf-region-is-planning-for-a-life-after-oil/a-67067995

<sup>&</sup>lt;sup>48</sup>https://www.unesco.org/en/articles/arab-region-punching-above-its-weight-solar-and-wind-energy-research#:~:text=Throughout%20most%20of%20the%20Arab,up%20from%200.49%25%20in%202011.

<sup>49</sup> https://www.dw.com/en/how-the-gulf-region-is-planning-for-a-life-after-oil/a-67067995

<sup>&</sup>lt;sup>50</sup>https://www.unesco.org/en/articles/arab-region-punching-above-its-weight-solar-and-wind-energy-research#:~:text=Throughout%20most%20of%20the%20Arab,up%20from%200.49%25%20in%202011.

<sup>&</sup>lt;sup>51</sup>https://www.kapsarc.org > uploads > 2023/10

<sup>&</sup>lt;sup>52</sup> https://www.vision2030.gov.sa/media/quudi5wq/vision-2030-overview.pdf

<sup>&</sup>lt;sup>53</sup>https://www.unesco.org/en/articles/arab-region-punching-above-its-weight-solar-and-wind-energy-research#:~:text=Throughout%20most%20of%20the%20Arab,up%20from%200.49%25%20in%202011.

2012 and 2019.<sup>54</sup> Such an increase is encouraging, and if continued, creates a positive outlook for the development of workable, sustainable energy solutions within the Arab States.

# C. Finding a Solution to the Problem

While a great deal of research into sustainable energy has been conducted in the Arab League in recent years and major advances have been made towards sustainable energy dependence, the application of the technology being researched and developed still suffers. According to the United Nations, renewable energy resources made up only 11% of the region's power sources, and only 5.1% of the region's final energy output was made up of renewable resources. This marks the region as the least dependent on renewable energy globally.<sup>55</sup> Furthermore, advances in renewable energy development have been undertaken by only a few countries, making the distribution of those resources across the region very uneven.<sup>56</sup> With that in mind, the opportunities for sustainable development become clear. When considering clean energy in the region, countries should consider first what research and development has already been done within their borders. Countries without much research into sustainable energy resources should consider whether those resources have the potential to alleviate energy poverty, and nations that have already developed a great deal of clean energy sources should consider collaborating with other countries in the region to improve access to energy throughout the Arab States.

On the economic level, the implementation of clean energy presents a twofold solution. The development of more sustainable resources increases the energy production capabilities of countries within the region. At the same time, the development, construction, and operation of new infrastructure requires the participation of the workforce, meaning an increase in job opportunities for citizens of Arab countries. However, this increase will come at the cost of job opportunities for those already working in fossil fuels. It is estimated that 6 million fossil fuel production jobs will be rendered unnecessary as the world moves towards sustainable energy.<sup>57</sup> While these lost jobs will be made up for in new career opportunities in clean energy, it is important to note that clean energy and fossil fuel production careers differ in the

response.anonymous&gad\_source=1&gclid=CjwKCAjwtNi0BhA1EiwAWZaANJb\_uCVcaqgP83dGYmTH6p32oRRDj7XJbIdaCWKWSiFySMIFhOD4URoCld8QAvD\_BwE&gclsrc=aw.ds

<sup>&</sup>lt;sup>54</sup>https://www.unesco.org/en/articles/arab-region-punching-above-its-weight-solar-and-wind-energy-research#:~:text=Throughout%20most%20of%20the%20Arab,up%20from%200.49%25%20in%202011. 
<sup>55</sup>https://sdgs.un.org/sites/default/files/2023-

<sup>06/2023%20</sup>Advancing%20SDG7%20in%20the%20Arab%20Region-061323.pdf

<sup>&</sup>lt;sup>56</sup>https://sdgs.un.org/sites/default/files/2023-

<sup>06/2023%20</sup>Advancing%20SDG7%20in%20the%20Arab%20Region-061323.pdf

<sup>&</sup>lt;sup>57</sup>https://impact.economist.com/sustainability/green-skills-outlook/articles/new-green-energy-economy?utm\_medium=cpc.adword.pd&utm\_source=google&ppccampaignID=17210591673&ppcadID= &utm\_campaign=a.22brand\_pmax&utm\_content=conversion.direct-

skills they require to successfully navigate jobs, so transitioning workers between careers may not be a simple process.<sup>58</sup> When navigating the energy transition, countries must take into consideration the ways in which such a transition will impact their workers, and how they will mitigate disruptions in the job market caused by green energy.

The issue of energy poverty also remains a question. While an increasing number of people in conflict zones are gaining access to renewable energy, that is not the case across the entire region. Households in rural areas have had difficulty accessing electrical infrastructure no matter whether that infrastructure relies on fossil fuels or renewable energy. The United Nations states that only 83% of people in rural areas have access to electricity within the region, while 98% of people have access in urban areas. Furthermore, high costs may inhibit access to energy resources such as electrical grids for those in poverty, preventing them from reliable connection to electricity. Countries should aim to create solutions that expand green energy production within the region and ensure that green energy is being used efficiently. Furthermore, countries should ensure that the infrastructure they build reaches rural communities and households living in poverty, as those areas are statistically more likely to suffer from energy poverty.

# II. Questions to Consider in Your Research

- A. What kinds of research has your country done into renewable energy resources? How has your country applied that knowledge to economic decisions?
- B. How might the already existing infrastructure within your country serve to further the research and development of clean energy resources?
- C. Has your country taken steps to ensure that citizens have reliable access to electricity? If so, what are those steps, and have they been successful in the past?
- D. Does your country have a strong and reliable electrical infrastructure based on fossil fuels? If so, how many people have access to that infrastructure, and how might clean energy be used to expand it?

#### III. Ouestions a Resolution Might Answer

- A. Is it worthwhile to push a renewable energy transition in your country, and will it help strengthen the economy within the country?
- B. How can your country expand its energy infrastructure and diversify energy resources, and how can these expansions serve to help the economy of the region?
- C. What initiatives could be put in place to increase public interest and awareness in clean energy?

<sup>59</sup> https://www.oxfordenergy.org/wpcms/wp-content/uploads/2011/08/MEP 1.pdf

https://impact.economist.com/sustainability/green-skills-outlook/articles/new-green-energy-economy?utm\_medium=cpc.adword.pd&utm\_source=google&ppccampaignID=17210591673&ppcadID=&utm\_campaign=a.22brand\_pmax&utm\_content=conversion.direct-response.anonymous&gad\_source=1&gclid=CjwKCAjwtNi0BhA1EiwAWZaANJb\_uCVcaqgP83dGYmTH6p32oRRDj7XJbIdaCWKWSiFySMIFhOD4URoCld8QAvD\_BwE&gclsrc=aw.ds

D. How can your country prepare workers to fill gaps in the industry in the event of a transition to clean energy production?

#### IV. Additional Resources

• Sustainable Development Goal 7

A helpful article outlining the United Nations' Sustainable Development Goal #7, which aims to create reliable access to sustainable energy for everyone across the globe.

- Renewable Energy and Jobs Annual Review 2023
  - This 2023 report from IRENA lists statistics about job creation and government actions taken within recent years in relation to renewable energy solutions.
- Global Energy Crisis

This article from the IEA gives background information about and potential solutions for the global energy crisis which has taken place in the past several years.

- Energy Poverty in the Arab World: The Case of Yemen
  - This study uses Yemen as an example of how energy poverty impacts the Arab region and studies electricity access within the country.
- How the Gulf region is planning for a life after oil
  - A helpful article listing how Gulf states are diversifying away from fossil fuels and outlining oil reliant nations' plans for energy production while they phase out oil.
- For the first time in decades, the number of people without access to electricity is set to increase in 2022

A good article from the IEA includes global statistics on electricity access and energy poverty.

# Topic III: Examining the impact that supply chain blockages have on the economic stability of Arab states.

# I. Introduction to the Topic

# A. General Background

In recent years, the negative impacts of supply chain disruptions and blockages have made themselves blatantly clear to the global community. Such disruptions can occur for multiple reasons and are incredibly detrimental due to their tendency to render much-needed products like food and fuel challenging to obtain. Additionally, supply chain blockages can increase inflation—when products become scarce due to disruption, causing the prices of those products to increase rapidly.<sup>60</sup> This is clearly problematic; not only does it cause prices to rise inconveniently for the average consumer, but it also disproportionately impacts those in poverty as prices for essential goods become prohibitively high. Furthermore, supply chain disruptions can cause severe issues in the production sector as manufacturers struggle to acquire the supplies they need to make their products, which also increases the final consumer cost.<sup>61</sup>

Disruptions can arise from a variety of factors. The COVID-19 pandemic was the cause of a myriad of recent supply disruptions as manufacturers could not operate and shipping was halted for the majority of the world. The lasting impact of the pandemic can still be felt years later—as of 2023, China's COVID-19 lockdowns were still in effect, with both manufacturing and shipping restrictions causing disruptions on the global level. Other potential causes for shortages include high prices for fuel and changes in weather, the latter of which has become a particular concern as climate change becomes a more pressing issue. Climate change has already begun to take effect in multiple regions, with examples of extreme weather events having interrupted supply chain operations multiple times in the past few years. An example of extreme weather and its impact can be found in Saudi Arabia, where rising temperatures and decreases in rainfall have caused dramatic decreases in crop production, leading to a suffering agricultural economy. In the future, sea level rise will cause a massive impact on the global supply chain as ports and infrastructure may become compromised by flooding.

bulletin/focus/2022/html/ecb.ebbox202108 01~e8ceebe51f.en.html

<sup>&</sup>lt;sup>60</sup>https://www.usbank.com/investing/financial-perspectives/market-news/supply-chain-issues-contribution-to-inflation.html

<sup>61</sup> https://www.ecb.europa.eu/press/economic-

<sup>62</sup> https://www.maersk.com/news/articles/2023/02/28/5-reasons-for-supply-chain-disruption

https://www.maersk.com/news/articles/2023/02/28/5-reasons-for-supply-chain-disruption

<sup>&</sup>lt;sup>64</sup>https://www.mdpi.com/2071-1050/14/21/14482

<sup>65</sup> https://e360.yale.edu/features/how-climate-change-is-disrupting-the-global-supply-chain

A relevant global example of the issues arising from supply chain interruption can be found in the semiconductor shortages occurring in 2021-22. This shortage was a prime example of the types of supply chain disruptions that can impact the economy on a global level due to its complex causes and its wide impact on multiple industries. One major cause of the shortage was the COVID-19 pandemic, which caused manufacturers to temporarily cease operations and caused a global halt in shipping for several months. The ramifications of these phenomena are clear, but the pandemic also caused a spike in work-from-home products such as computers and cell phones, causing excess demand that could not be met by the semiconductor industry. Geopolitical issues also contributed to this shortage as conflicts occurred between countries whose products were vital to semiconductor production.<sup>66</sup> The impact of the shortage was widespread as it caused strained production in multiple industries, with the automotive and electronics industries facing the most issues. It also caused massive inflation rates as demand rose to unprecedented levels for products that could not be delivered to consumers.<sup>67</sup> While in the present day, the chip shortage has been resolved, it still serves as a relevant example of the ways in which supply chain disruptions can be massively impactful on the global economy.

#### **B.** History in the Arab States

Historically, the Arab States have been a significant region for global trade for centuries. Multiple important trade routes carrying products such as textiles and spices were used as far back as the 15th century, and the region has continued to be important to the world economy to this day.<sup>68</sup> Several important products are traded by and through the Arab States; in many cases, the most important product exported is oil. The region is also responsible for multiple pivotal ports and canals, the blockage of which could cause supply disruptions around the world. The vital nature of these canals was made clear when the Ever Given, a cargo ship, ran aground in the Suez Canal in March of 2021. The ship became stuck in the canal for six days, blocking upwards of 350 ships from passing through the canal and halting the majority of global shipping for several days.<sup>69</sup> This blockage was massively detrimental to the economy of the region, as the canal is responsible for 2% of Egypt's GDP and its blockage was responsible for the loss of \$9.6 USD per day. 70 Such an event proves how important a strong, functional supply chain is to the economy of the Arab States, especially when it comes to shipping routes.

<sup>66</sup>https://www.sciencedirect.com/science/article/pii/S2405896322017293

<sup>67</sup> https://www.forbes.com/sites/forbestechcouncil/2022/05/19/impacts-of-the-global-chip-shortage-andhow-to-prepare-as-the-backlog-stabilizes/

<sup>&</sup>lt;sup>68</sup> https://www.tandfonline.com/doi/epdf/10.1080/00076791.2024.2363102?needAccess=true

<sup>69</sup> https://english.elpais.com/economy-and-business/2023-03-29/the-long-hangover-of-the-ever-givenglobal-trade-disruption.html

70 https://www.ispionline.it/en/publication/suez-canal-perspectives-after-ever-given-accident-32127

The Arab states are certainly not strangers to the effects of supply disruptions. Recently, the region has suffered due to the impact of the Russian-Ukrainian war. Such a conflict has had massive ramifications for the world economy as a whole but has been a particular concern to the Arab League as food prices have risen to levels that are untenable for many citizens. Russia and Ukraine collectively produce a massive amount of food, bearing responsibility for 55 and 30% of sunflower oil and grain production respectively. Such a widespread and longlasting conflict between the two nations has caused a massive upset in their ability to ship the aforementioned products to other countries; this upset has only been exacerbated by global sanctions placed on Russia in the wake of the conflict. This has caused massive spikes in the prices of products, with wheat and maize experiencing a 35% uptick in their prices since the beginning of the war. These impacts are detrimental to the region as a whole as it has become more difficult for people to obtain food at manageable prices, but they have been experienced more sharply by countries with already high poverty levels; such countries are expected to see noticeable declines in GDP in the coming years. These declines will only become more pronounced as the conflict continues.<sup>71</sup> Supply chains have also been blocked by the conflict, with the Russian navy blocking Ukrainian ports and disrupting shipping in the Red Sea. Such blockages cause further issues when attempting to ship and receive supplies coming in and out of Ukraine amidst the conflict.<sup>72</sup>

# C. Finding a Solution to the Problem: Past, Present, Future

As supply chain disruptions and complications have become increasingly common in recent years, a more divided trade environment has arisen within the Arab States. As the region navigates a complicated global economy in the coming years, regionalization will become a pivotal strategy to ensure that the economy of the MENA region remains stable. One of the most important areas to consider is agriculture. As previously mentioned, food prices—particularly those of wheat and food oils—have risen sharply in the wake of Russia's invasion of Ukraine. The MENA region has marked a decline in the domestic production of similar food products, with rates of importation of those goods exceeding production rates in recent years. The ramifications of such reliance on outside resources for food products have become clear as the Russo-Ukrainian conflict has advanced, and present an opportunity for the Arab States to look within for solutions.<sup>73</sup>

Another potential area for localization and the strengthening of the unified Arab economy could be investing in digital manufacturing and technology.<sup>74</sup> Several nations have already

<sup>&</sup>lt;sup>71</sup> https://www.bic-rhr.com/research/what-critical-opportunities-and-challenges-await-arab-league-summit

https://gmk.center/en/posts/how-the-russia-ukraine-war-has-impacted-on-logistics-routes-and-supply-chains/#:~:text=The%20war%20in%20Ukraine%20also,annually%2C%20as%20before%20the%20war.

<sup>73</sup> https://www.mdpi.com/2077-0472/14/1/155

<sup>&</sup>lt;sup>74</sup>https://impact.economist.com/perspectives/economic-development/power-proximity-localising-supply-chains-middle-east

begun investing in this area; the UAE hopes to increase industrial contribution to GDP by \$46 billion USD, while Bahrain hopes to increase the industrial portion of its GDP by \$6.6 billion USD by 2026. AI and robotics have been areas of interest for many Arab countries as attempts are being made to increase the local production of those technologies. Solar power has been another relevant technological sector as governments attempt to build their countries' domestic solar capacities. This increased interest in solar capacity has come with an increased interest in electricity as a whole; many countries have been increasing domestic electric capacity with expansions in electric-powered public transit, with Qatar being a prime example as they introduced a fleet of public e-buses in preparation for the World Cup in 2022.<sup>75</sup> These expansions in the technological, industrial, and manufacturing sectors speak to a region-wide interest in the strengthening of the Arab economy on the local level, a strategy that will be vital in improving supply chain outlook and funding a stronger supply chain system in the future. It may be prudent for countries to look into creating funds to improve supply chain outlooks as well as research solutions for supply chain blockages.

One point of concern that should be considered when preparing for potential blockages is the interference of climate change and extreme weather events in the supply chain. In the coming years, as the effects of climate change become more apparent, it will be important for Arab nations and businesses to have contingency plans in place in the event of a major weather event. Major weather events have been responsible for major GDP losses in recent history, with climate disasters accounting for product losses of 1.1% in the MENA region. While these issues will become less prevalent as the world makes its transition to clean energy and attempts to cut back on pollution and carbon emissions, in the meantime it is important for nations to formulate methods to adapt to the inevitable increase in the frequency of major weather events. One such method could be to find backup routes for shipping and transit in case a weather event or disaster incapacitates the normal flow of traffic, a solution which would also ease backups in cases such as the aforementioned Suez Canal blockage of 2021. Many of these decisions would be at the will of the companies within the region responsible for shipping and trade, but governments could play a role in formulating contingency plans and ensuring that trade flows smoothly in the event of a disaster.

#### II. Questions to Consider in Your Research

A. How have supply chain blockages impacted your country in recent years? Has your country put any policies in place to mitigate the impact of those blockages?

<sup>&</sup>lt;sup>75</sup> https://impact.economist.com/perspectives/sites/default/files/eiu the power of proximity qfza 1.pdf https://www.imf.org/en/Blogs/Articles/2023/11/29/how-the-middle-east-and-central-asia-can-better-address-climate-

challenges#:~:text=Past%20climate%20disasters%20have%20resulted,fragile%20and%20conflict%2Daffected%20states

<sup>77</sup> https://hbr.org/2022/05/how-exposed-is-your-supply-chain-to-climate-risks

- B. What types of supply chain blockages have been the most detrimental to your country?
- C. How can your country use its connections and alliances with other Arab nations to lessen complications that have arisen from supply chain disruptions?
- D. Has your country experienced supply chain disruptions as a result of climate change or severe weather events? If it has, are there any contingency plans in place if such events occur in the future?

# III. Questions a Resolution Might Answer

- A. How can your country work to mitigate the effects of supply chain disruptions upon both the economy and citizens within the region?
- B. What steps can Arab nations take to respond to disruptions arising from severe weather events or unexpected disasters?
- C. How can your country increase its collaboration with other Arab nations to build a stronger regional economy that will not be as severely impacted by global supply chain blockages?
- D. How can the Arab region increase localization to strengthen the economy from within rather than relying on imports from other regions?

#### IV. Additional Resources

- The power of proximity: Localising supply chains in the Middle East Economist Impact
  This study from the Economist outlines potential areas for Arab regionalization and ways
  that the Arab economy can be strengthened from within the region.
- How Do Supply Chain Disruptions Contribute to Inflation? | U.S. Bank A helpful article highlighting the inflationary impact of supply chain disruptions and explaining how multiple recent disruptions have affected the global economy.
- Supply chain disruptions and the effects on the global economy
   This set of statistics further describes the impact of supply disruptions on the global economy.
- Middle East conflict threatens supply chains and shipping

  An article describing how conflict in the Middle East has and will continue to impact the global economy in the near future.
- Food Supply Crisis and the Role of Agriculture in the Middle East & North Africa (MENA) Region : IEMed
  - An incredibly helpful paper from the European Institute of the Mediterranean highlighting the importance of domestic agriculture in the MENA region.
- Challenges to Food Security in the Middle East and North Africa in the Context of the Russia-Ukraine Conflict

A study from the MDPI focusing on the impact of the Russo-Ukrainian war on the MENA region and highlighting potential issues with access to food and oil that may arise from the conflict

Topic IV: Discussing the potential impact of global sanctions against non-member states on the Arab League.

# I. Introduction to the Topic

#### A. General Background

In the modern age, sanctions are tools used by governments to further their goals on a global level. Most sanctions are economic in nature and are often used when attempting to encourage or force other parties to comply with foreign policy goals. Such parties are often other nations in their entirety, but sanctions can be imposed on groups as specific as individual businesses or people depending on the goals that the sanctions seek to accomplish.<sup>78</sup> The nature of sanctions is dependent on the goals that they are intended to achieve; while they commonly include requirements such as trade restrictions or embargoes, they can also extend to conditions such as travel bans and restrictions as well as asset seizures. Such action is usually seen as a method of coercing other parties to comply with the sanctioning nation's goals by economic threat; therefore, sanctions are commonly used as an alternative for or a method of avoiding military action.<sup>79</sup>

As such, the most impactful sanctions are often put into place by larger nations and occur most often during times of conflict. Recent examples of events that have caused widespread sanctions are the Russian invasion of Ukraine as well as the occupation of Palestine by Israel. Historically, the United States has been one of the world's most prolific sanction-ers, and its sanctions usually have a wide impact on the global economy due to the U.S.'s role as an economic superpower. The United States also has a tendency to place secondary sanctions on nations that continue to trade with U.S.-sanctioned parties, hoping to further their foreign policy goals by putting pressure on targeted nations. However, many governments choose to trade with sanctioned parties anyway, as the threat of secondary sanctions is not always guaranteed and is not always followed up on. While sanctions can be put in place by any country, the weight of their economic impact can vary strongly depending on the nature of the sanctions themselves and the global influence of both the sanctioning nation and the group being placed under restrictions. If the influence of both parties on the global economy is strong, the impact of the sanctions will be felt more acutely on the global level. 81

A prominent example of sanctions placed on a nation within the MENA region are the sanctions placed on Syria by Western nations during the 2000s. The United States government has held

<sup>&</sup>lt;sup>78</sup> https://www.cfr.org/backgrounder/what-are-economic-sanctions

<sup>79</sup> https://www.investopedia.com/articles/economics/10/economic-sanctions.asp

<sup>&</sup>lt;sup>80</sup> https://www.yjil.yale.edu/the-brutal-impact-of-sanctions-on-the-global-south/

<sup>&</sup>lt;sup>81</sup> https://www.cfr.org/backgrounder/what-are-economic-sanctions

sanctions against Syria since the 1970s, but several waves of sanctions have come since that time. The first occurred in the 2000s and was the result of perceived terrorist support within the nation, while the second was put forth in the 2010s, reportedly in response to the outbreak of the Syrian Civil War.<sup>82</sup> Many of these sanctions are primary sanctions; examples of the types of sanctions put in place include the prohibition of foreign aid to Syria, the prohibition of arms trade with Syria, and the prohibition of imports of certain Syrian products to the U.S, namely oil.<sup>83</sup> In 2019, the U.S. introduced a greater number of secondary sanctions hoping to limit trade with Syria, including sanctions on non-U.S. companies that engage in frequent trade with Syria, non-U.S. companies that provide arms to Syria, and non-U.S. military contractors working in collaboration with Syria, Russia, and Iran.<sup>84</sup> These sanctions have likely had a significant impact on Syria, as the country has struggled to rebuild in the midst of the civil war and has suffered from limited trade and export opportunities. These widespread sanctions offer an interesting look at how severely sanctions can impact a country's economic condition.

# **B.** History in the Arab World

In recent history, some of the most significant examples of sanctions placed on non-member nations by Arab League members were the oil embargoes of 1973-74. These embargoes were placed on the United States, Portugal, South Africa, Rhodesia, and the Netherlands, and came in retaliation for those nations' support of Israel during the Arab-Israeli war of 1973. In addition to resentment over the war, the sanctions came as a result of economic decisions made by the United States, namely the U.S.'s decision to disconnect the price of the U.S. dollar from the value of gold. The subsequent devaluation of the dollar caused financial strain on oil-producing Arab states, whose economies largely relied on U.S. currency.<sup>86</sup> During these embargoes, Arab members of the Organization of Petroleum Exporting Countries (OPEC) ceased oil trade with embargoed nations and began cutting efforts to produce oil. The economic impact of these embargoes was great—the global price of oil quadrupled and fuel shortages occurred in multiple countries. While the sanctions were eventually lifted and oil trading resumed with the formerly embargoed nations, they did encourage multiple countries to diversify their methods of energy production.<sup>87</sup> The embargoes were also notable for the way they shifted economic power into the hands of Arab nations-previously, Western countries and corporations maintained control over the price of oil, but the embargoes played a part in returning control to oil-producing countries.

<sup>82</sup> https://www.cartercenter.org/resources/pdfs/peace/conflict\_resolution/syria-conflict/us-and-european-sanctions-on-syria-091620.pdf

<sup>83</sup> https://www.cartercenter.org/resources/pdfs/peace/conflict\_resolution/syria-conflict/us-and-european-sanctions-on-syria-091620.pdf

<sup>&</sup>lt;sup>84</sup>https://www.cartercenter.org/resources/pdfs/peace/conflict\_resolution/syria-conflict/us-and-european-sanctions-on-syria-091620.pdf

<sup>&</sup>lt;sup>85</sup>https://www.cartercenter.org/resources/pdfs/peace/conflict\_resolution/syria-conflict/us-and-european-sanctions-on-syria-091620.pdf

<sup>86</sup> https://www.britannica.com/event/Arab-oil-embargo

<sup>87</sup> https://history.state.gov/milestones/1969-1976/oil-embargo

The oil embargoes were a strong example of how impactful sanctions can be on the global economy.

A good recent example of sanctions and their impact on the Arab economy are sanctions placed on Russia in the wake of their 2022 invasion of Ukraine. Currently, Russia is the mostsanctioned nation in the world, with more than 13,000 restrictions placed upon its economic activity. This wave of sanctions has mostly been spearheaded by the United States and the European Union and has included limiting Russian banks' abilities to use U.S. dollars and euros as well as attempting to freeze their trade abilities with Western countries. These sanctions have had a significant impact on the Russian economy, particularly in the initial months of the war, when their banking system lost upwards of \$30 billion USD.<sup>88</sup> Additionally, the United States has attempted to push a wave of secondary sanctions on countries that still choose to do business with Russia, though these secondary sanctions have had mixed results.<sup>89</sup> The war and its resulting economic action have been detrimental to the economic state of the MENA region, with prices for food rising sharply. This is due to Russia's and Ukraine's role in grain and wheat production; since the beginning of the war, the production of those products has suffered, and prices have risen sharply.<sup>90</sup> However, in the wake of the widespread sanctions placed upon it, Russia has attempted to increase its business dealings in the Arab region.<sup>91</sup> The relationships Russia is attempting to establish within the Arab region hold potential for economic strengthening in the near future, but could also be detrimental due to the threat of U.S. secondary sanctions.92

Another recent example of sanctions in the Arab world came as a result of the advancing of the Israeli-Palestinian conflict which occurred in October of 2023. Since the advance, the United States has placed a number of sanctions on groups related to the conflict, including several Israeli groups and individuals. The groups targeted were cited by the U.S. as being violent or extremist groups, and the sanctions imposed limit trade and collaboration with them. <sup>93</sup> The EU has also imposed sanctions on these groups, citing the blockage of humanitarian aid and the establishment of illegal settlements as the reasoning for their sanctions. <sup>94</sup> Despite the widespread sanctioning of specific groups, however, few countries have established sanctions on the Israeli government directly, with Turkey being a primary exception. Many countries, particularly France, are

<sup>8</sup> 

<sup>&</sup>lt;sup>88</sup>https://carnegieendowment.org/russia-eurasia/politika/2023/04/how-sanctions-have-changed-russian-economic-policy?lang=en

<sup>&</sup>lt;sup>89</sup> https://mises.org/mises-wire/thanks-sanctions-us-losing-its-grip-middle-east

<sup>&</sup>lt;sup>90</sup> https://www.bic-rhr.com/research/what-critical-opportunities-and-challenges-await-arab-league-summit

<sup>&</sup>lt;sup>91</sup>https://carnegieendowment.org/russia-eurasia/politika/2023/11/middle-eastern-influence-is-growing-fast-in-russia?lang=en

<sup>&</sup>lt;sup>92</sup>https://www.reuters.com/markets/commodities/russia-struggles-collect-oil-payments-china-uae-turkey-raise-bank-scrutiny-2024-03-27/

<sup>&</sup>lt;sup>93</sup>https://www.aljazeera.com/news/2024/7/11/us-announcess-sanctions-on-israeli-settlers-over-west-bank-violence

<sup>94</sup> https://www.reuters.com/world/eu-imposes-sanctions-five-israeli-individuals-three-entities-2024-07-15/

hesitant to establish sanctions, stating that it is doubtful that direct sanctions will be effective in ending the conflict.<sup>95</sup>

# C. Finding a Solution to the Problem: Past, Present, Future

One of the most important points of consideration for Arab states in the near future will be how sanctions on oil-producing nations such as Russia may increase economic opportunity for oil-producing nations in the Arab League. In the wake of Russia's invasion, the price of oil from several major corporations has increased by over 50% due to sanctions; while this surge proved detrimental to global oil prices, it presents an opportunity for energy-exporting Arab nations. Should energy sanctions on Russia continue, with the prices of oil drastically increasing globally, there is potential for energy-exporting countries to increase their rates of production. An increase in production could escalate Western dependence on oil from the Middle East and would spell economic success for the region, at least until the end of the Russo-Ukrainian conflict. However, countries interested in such a solution should consider several factors. An increase in oil production has the potential to discourage diversification away from fossil fuels in the near future, and it could inhibit energy-exporting countries' ability to meet emissions and climate goals. Additionally, a surge in oil prices bolstered by energy-exporting nations could be severely economically detrimental to countries within the region that import their energy and rely on other sectors for their economic output. The price of the

In recent months, Russia's banks have become increasingly involved in the Arab region, hoping to build connections with Middle Eastern countries in the absence of opportunities in the West. Saudi Arabia and Iran have both engaged in meetings with Russia, and the UAE has increased its economic collaboration with the country. However, much of Russia's involvement in the area has been military-based, especially as Russia attempts to build military ties with Syria. In the coming months, collaboration with Russia in the oil sector could be to the region's benefit but may come at the expense of relationships with the United States. He U.S. has a history of introducing secondary sanctions on countries that it believes to be acting against its foreign policy goals, and it seems that its interest in doing so in the Arab region has increased as ties with Russia advance. Because of this, many Arab nations have begun to shy away from meeting with Russia, fearing U.S. retaliation, but some have continued their discussions. Whether an economic relationship with Russia is beneficial will depend on the economy and policy of the country considering such a relationship. However, it may be prudent for Arab nations to attempt

<sup>95</sup> https://www.dw.com/en/israel-sanctions-who-has-imposed-curbs-over-gaza-war/a-68792324

<sup>96</sup>https://www.nature.com/articles/s41599-023-02526-

<sup>9#:~:</sup>text=Through%20the%20event%20analysis%20method,oil%20prices%2C%20reaching%2056.33% 25.

<sup>97</sup> https://www.bic-rhr.com/research/what-critical-opportunities-and-challenges-await-arab-league-summit 98 https://carnegieendowment.org/posts/2019/10/a-brief-guide-to-russias-return-to-the-middle-east?lang=en

to present a unified front on the matter, though due to varying policies, alliances, and international relationships, such an agreement may not be possible.<sup>99</sup>

The last vital element when it comes to considering sanctions will be how a united front of Arab nations can present to non-member states. The complete cooperation of every Arab nation is nearly impossible due to differences in alliances, economic goals, and international relations. However, improved cooperation and collaboration between nations, especially when it comes to sanctions, will be pivotal in ensuring economic success. This is true across multiple areas—oil sanctions on Russia in the wake of the Ukrainian war will present an opportunity for oil-producing nations to strengthen their incomes.<sup>100</sup> At the same time, sanctions on Russia from Western nations present opportunities for Arab countries to strengthen their diplomatic ties with the Russian government, opening the potential for economic collaboration as well.<sup>101</sup> When researching, delegates should consider these areas, taking into consideration the complications that could arise alongside the benefits. It will also be important to take into account past actions and policies that Arab League nations have taken to use sanctions to their benefit and act based on the level of success those actions have shown.

#### II. Ouestions to Consider in Your Research

- A. Does your country harbor close ties with countries that have historically been the subject of a lot of sanctions? Do these relationships strengthen or harm your country's economy?
- B. Does your country currently have any sanctions placed on a non-member state? What is the nature of those sanctions, and how have they impacted your country economically?
- C. How has your country used sanctions to its benefit in the past? Does your country have a history of sanctions on non-Arab states, and if so, how did it use those sanctions to its benefit?
- D. Has your country had secondary sanctions placed upon it from non-member nations? How might secondary sanctions from other nations impact your nation were they to be put in place?

# III. Questions a Resolution Might Answer

- A. How can Arab nations coordinate their sanctions on non-member states to create the most economically beneficial situation for the region? How will such coordination take place?
- B. How can connections between the Arab League and often-sanctioned nations be beneficial to the Arab economy? How will Arab countries mitigate the potential drawbacks of such connections?

<sup>99</sup> https://mises.org/mises-wire/thanks-sanctions-us-losing-its-grip-middle-east

https://www.bic-rhr.com/research/what-critical-opportunities-and-challenges-await-arab-league-summit

https://mises.org/mises-wire/thanks-sanctions-us-losing-its-grip-middle-east

- C. How might your country adapt to secondary sanctions relating to global conflict were they to be put in place?
- D. How can the Arab oil economy adapt to global sanctions to advance the economic situation of the Arab States, and how might those adaptations impact economic reliance on oil?

#### IV. Additional Resources

- <a href="https://www.cfr.org/backgrounder/what-are-economic-sanctions">https://www.cfr.org/backgrounder/what-are-economic-sanctions</a>
   A helpful article with background information about what sanctions are and how they are used by governments.
- <a href="https://carnegieendowment.org/posts/2019/10/a-brief-guide-to-russias-return-to-the-middle-east?lang=en">https://carnegieendowment.org/posts/2019/10/a-brief-guide-to-russias-return-to-the-middle-east?lang=en</a>
  - An article describing recent Russian interest in the Middle East and outlining Russia's recent actions within the region.
- <a href="https://mises.org/mises-wire/thanks-sanctions-us-losing-its-grip-middle-east">https://mises.org/mises-wire/thanks-sanctions-us-losing-its-grip-middle-east</a>
  This helpful piece describes the detriments of American sanctions and discusses Arab nations' reactions to the threat of sanctions from the U.S.
- <a href="https://carnegieendowment.org/russia-eurasia/politika/2023/11/middle-eastern-influence-is-growing-fast-in-russia?lang=en">https://carnegieendowment.org/russia-eurasia/politika/2023/11/middle-eastern-influence-is-growing-fast-in-russia?lang=en</a>
  - A piece from Carnegie Politika describes how the influence of the Middle East has grown in Russia in recent years.
- <a href="https://www.investopedia.com/articles/economics/10/economic-sanctions.asp">https://www.investopedia.com/articles/economics/10/economic-sanctions.asp</a>
  Another helpful reference for the role of sanctions in the global economy, including examples of how sanctions might be used.