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Are we facing a new Arab Spring?

The Middle East remains turbulent. The region has a youth unemployment rate of 30% and the population continues to grow. The population of Egypt grew from 69 million in 2000 to 96 million in 2016. At the same time, 500.000 student graduate each year, only around 15% find an adequate job.

There were riots following the announcement of a reduction in the subsidies for bread, and the government had to withdraw its plans. When the Iranian government announced cuts in subsidies in December 2017 the population also took to the streets.

The young Crown Prince of Saudi Arabia, Mohammed bin Salman, is attempting to reform his country. He is promising the young population a more tolerant society and an end of the endemic corruption in the Kingdom. At the same time he increased the price of petrol by 127% and introduced a moderate 5% Value Added Tax. These are the first steps in the right direction, however much remains to be done, especially in the development of the private sector. Currently 75% of the working population are employed by the state and earn up to 150% more than the few in the private sector.

In the region \$74 billion are spent annually on petrol subsidies. However the treasury is empty – even in the richest of the oil producing nations. Furthermore, foreign direct investments are limited and are considered to be the lowest of any region in the world. It follows, that subsidies are going to have to be cut and the governments in the region – with few exceptions – will slowly but surely lose the control over the population, much as they did in the spring of 2011. Back then the demonstrators in the streets of Cairo demanded “bread, freedom and social equality”. No Arab government has delivered on that demand to this day and it is hardly surprising that tensions are increasing; a breaking point could be further cuts or announcement of cuts in the near future.

Should there be a repeat of 2011 many young people will seek their fortune elsewhere and we can expect a new flood of refugees heading for the shores of Europe. Besides the economic implications for Europe such a renewed wave of refugees would have serious political consequences for the European Union. The Union is very much divided on this issue and the ongoing debate has ensured that we have been tied up in sorting out the problems created by the last great wave of refugees rather than preparing for the next. Italy and Greece would be particularly hard hit by such a development.

A renewed wave of mass migration is not a certainty, but it is likely to occur in the near future. The national Governments and the European Union need to look at this issue and prepare for the worst.

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