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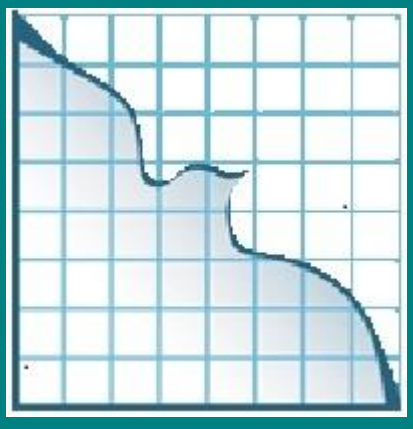

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GUEST EDITORS: DINA MANSOUR-ILLE AND HAMID E ALI

Accounting for numbers: Group characteristics and the choice of violent and nonviolent tactics

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Abstract

Scholars have shown that nonviolent movements tend to be more successful than violent movements. A key explanation is that nonviolent movements have a mobilization advantage over violent campaigns. As nonviolent movements have lower barriers to active participation, they can expand quickly by mobilizing much larger numbers than violent movements. We argue that such a mobilization advantage is not universal, and that different movements are likely to have a comparative advantage in one tactic over another. We develop a simple model emphasizing how the ex ante potential for mobilization and prospects for success steer the choice of dissident tactics. Nonviolent tactics can be relatively more effective when a movement can mobilize more active participants than with violence, but movements with limited mobilization potential can have feasible prospects for violent dissent and a nonviolent mobilization disadvantage. We examine the implications of the model against empirical data for different types of dissident tactics and on resort to nonviolent and nonviolent dissent. We demonstrate very different actor profiles in nonviolent dissent and violent conflict, and show how each of the two types of dissent are more likely under very different settings. To compare success by types of dissent we must account for how differences in potential numbers or mobilization shape tactical choices.

The Arab Spring of 2011 illustrates how dissident mobilizations can employ nonviolent and violent tactics. Whereas a mainly nonviolent movement brought down Ben Ali in Tunisia, Gaddafi in Libya was toppled through violence, and Syria descended into a major civil war in which the government has gradually won the upper hand. Several scholars have argued that nonviolent movements offer important strategic advantages over violent movements, increasing the likelihood of success.[1] Chenoweth and Stephan (2011) found that nonviolent campaigns succeed about twice as often as violent campaigns, which they attribute to them possessing a mobilization advantage over violent campaigns. However, it does not follow that such a mobilization advantage is universal. If factors shaping the ability to mobilize also influence the prospects for success, then we must look beyond observed tactics and outcomes and consider how the ability to mobilize guides the choice of strategy.

This article argues that different movements are likely to have a comparative advantage in one tactic over another, and the expected ex ante prospects for success will steer the choice of strategy. It develops a model of strategic choice for dissident tactics, emphasizing the potential for mobilization. Every movement has a potential audience, and its

[1] Chenoweth and Stephan (2011); Rivera and Gleditsch (2013).

size caps the maximum mobilization potential. Movements that focus on the interest of a small population (e.g., secession for a minority) will have a smaller potential base than movements with a wide audience (i.e., removing a near universally unpopular government). We show that under very general conditions, dissident movements with higher mobilization potential (i.e., larger audiences and resources for mobilization) are likely to have an advantage in nonviolent tactics over violent tactics, since they can mobilize more active participants under nonviolent strategies. In contrast, movements with a limited audience are unlikely to have a sufficient nonviolent mobilization advantage and may see violence as the best option. The model underscores how large-scale nonviolence can be more successful than violent dissent, but also how only certain movements can expect to do well using a nonviolent strategy. Movements with limited mobilization potential are unlikely to improve their position by switching from violent to nonviolent tactics. The model helps to illustrate the conditions that are likely to lead movements to choose, or eventually use, a nonviolent or violent strategy. Violence is likely to be an adaptation to a low mobilization potential and is more likely when the prospects for concessions are limited.

Nonviolent and violent mobilization may arise from similar motives, but different movement characteristics are likely to give a comparative advantage to one over other tactic. Direct action and mobilization are unlikely in the absence of motives and nonviolence is a more likely tactic for stronger movements with wider support, which can mobilize more effectively using this tactic. These claims and findings challenge common tenets in conflict research which argue that violent rebellion will be used whenever feasible.

We compare the implications of the model against data on nonviolent and violent mobilization. This shows that active participation is much higher in nonviolent campaigns than violent rebellion. Nonviolent movements also tend to have a larger target audience and plausible resources for mobilization. Moreover, nonviolent dissent is more likely in urbanized non-democracies, where it is easier to mobilize large numbers of disaffected individuals, while violence is more likely in non-democracies with larger rural populations. The larger the ethnic group, the more relatively likely ethnic movements are to use nonviolence.

Nonviolent and violent dissident tactics

Many empirical studies equate conflict with the use of violence, but general definitions of conflict tend to emphasize the incompatibilities between actors.[2] An incompatibility can motivate specific actions, such as resorting to violence, but actors can also challenge a state using many forms of nonviolent direct action.[3] Violent and nonviolent dissent have often been studied in isolation of one another. Studies of violent conflict often disregard all actions other than violence, while studies of nonviolence often focus only on active cases and do not consider accounting for the onset, or the potential use, of violence.[4] Likewise, many studies compare observed violent and nonviolent campaigns, without considering the initial choice of tactic.[5]

Some researchers privilege agency, arguing that any group can choose nonviolent tactics,[6] while others emphasize

[2] Boulding (1963, p. 5); Most and Starr (1989).
[3] Bond (1994); Sharp (1973). We focus on nonviolent direct action that is convention-breaking— as opposed to routine politics within an established legal framework — and with maximalist claims against the government. Research on armed civil conflict normally focuses on organized violence with a maximalist incompatibility (either government or territory), excluding other forms of violence such as interpersonal violence, crime, or riots without organization, see Gleditsch et al., (2002); Kreutz (2015). Many "not-violent" activities fall outside direct action, as they are conducted within routine politics, or do not seek to topple the government.
[4] E.g., Schock (2013); Burrowes (1996); Sharp (1973); Wehr, Burgess and Burgess, (1994).
[5] Chenoweth and Stephan (2011); Chenoweth and Cunningham (2013). Chenoweth and Lewis (2013) provide an example, emphasizing how common predictors of civil war yield very different results in a model for nonviolent campaign onset. Chenoweth and Ulfelder (2017) focus on out-of-sample prediction of nonviolence. Cunningham (2013) studies tactics among ethnic separatist groups, but does not consider non-sectarian direct action.
[6] Schock (2005).

strict sequencing in tactics, seeing nonviolence as a precursor to violence.

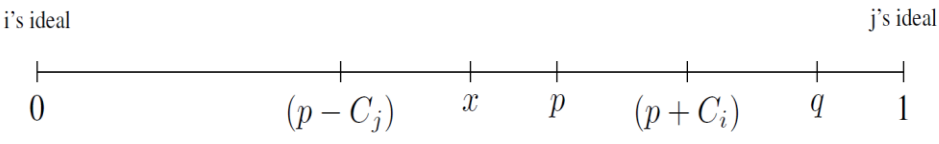

Figure 1: Bargaining and conflict.

Some researchers privilege agency, arguing that any group can choose nonviolent tactics,[7] while others emphasize strict sequencing in tactics, seeing nonviolence as a precursor to violence. This can be either as a means to mobilize for violence or activists becoming disillusioned with ineffective nonviolent dissent.[8] Movements may substitute violent for nonviolent tactics whenever one tactic proves to be unsuccessful,[9] but existing data suggest that initial strategic choices tend to be stable, and that substitution is the exception rather than the rule. In the Nonviolent and Violent Campaigns and Outcomes Dataset (NAVCO), for example, fewer than 10% of the campaigns in independent states change strategy.[10]

To consider what determines strategy choice we use a simple model of nonviolent and violent coercion technologies. A movement's potential resources for mobilization and constraints can provide a comparative advantage to one tactic over the other. Nonviolence is relatively more effective when a movement can mobilize a sufficiently larger number than they can realistically enlist in armed struggle. In contrast, violent challenges remain feasible even when movements have limited mobilization potential and ability to coerce governments through nonviolence. In short, nonviolence is effective precisely when actors can mobilize many more people. This contradicts the common belief that violent challenges are more threatening to the incumbent regime and that nonviolent tactics are mainly a weapon of weak actors unable to mount a violent rebellion.[11] Factors such as motives, audiences, and resources will determine the potential nonviolent mobilization advantage and the relative effectiveness of violent and nonviolent tactics. Actors will choose the tactics they believe are most likely to be effective based on the given constraints. As key circumstances rarely change after the initial choice, tactics in conflict will tend to be stable in the absence of external shocks.

We use a bargaining framework to illustrate these potential differences in tactic effectiveness. Figure 1 represents conflict between a dissident group *i* and the government *j* over a continuous incompatibility [0, 1], e.g., relative political influence.[12] The dissident group *i* prefers a division *x* closer to 0, while the government *j* prefers an outcome closer to 1. The relative power of the actors *p* is scaled so that higher values indicate a stronger government relative to the dissident group. *p* can be interpreted as a contest success function outcome or the fraction won in a confrontation.[13] When the status quo *q* is far from the relative power *p*, as in Figure 1, dissidents may try to challenge the state.

Standard applications of bargaining models treat "war" as a costly non-agreement option, but a contest could rely on a range of tactics. In this framework, any difference between nonviolent or violent dissent must be reflected in either the relative power *p* or the costs of confrontation *C*. We delineate different production functions for relative

[7] Schock (2005).
[8] Haines (1988); Regan and Norton (2005); Tarrow (1994).
[9] Lichbach (1987); Sandler, Tschirhart and Cauley (1983).
[10] We list all campaigns with apparent shifts in the Appendix A. Many reflect the emergence of new primary organizations, and there are even fewer examples where a specific organization changes tactics. García-Ponce and Wantchékon (2020) also note a strong separation between violent and non-violent African independence movements.
[11] E.g., Geddes, Wright and Frantz (2018, p. 7): ". . . popular uprising is a tactic chosen by groups that lack the organization and resources to maintain insurgency . . . ".
[12] Adapted from Fearon (1995).
[13] Buhaug, Gates and Lujala, 2009; Hirshleifer, 1988.

power p^n in a direct confrontation using nonviolent tactics and p^v using violent tactics, with individual participation or mobilization *m* as input. In the next section, we detail how the relative effectiveness of violent and nonviolent tactics p^v and p^n will vary if tactics have different maximum achievable mobilization m^v_{max} and m^n_{max}. In essence, nonviolent conflict requires high active participation to be effective, whereas violent conflict can be feasible and have some impact despite limited participation. But even if we make a conservative (and questionable) assumption that violent tactics are always more effective than nonviolence at any fixed number of active participants, nonviolent tactics can still be relatively more effective if a movement has a sufficiently large mobilization advantage using nonviolent over violent methods. However, since the minimum participation threshold for imposing substantial costs on the government is likely to be much lower for violent than nonviolent tactics, violent tactics will be relatively more attractive for groups with a small audience.[14]

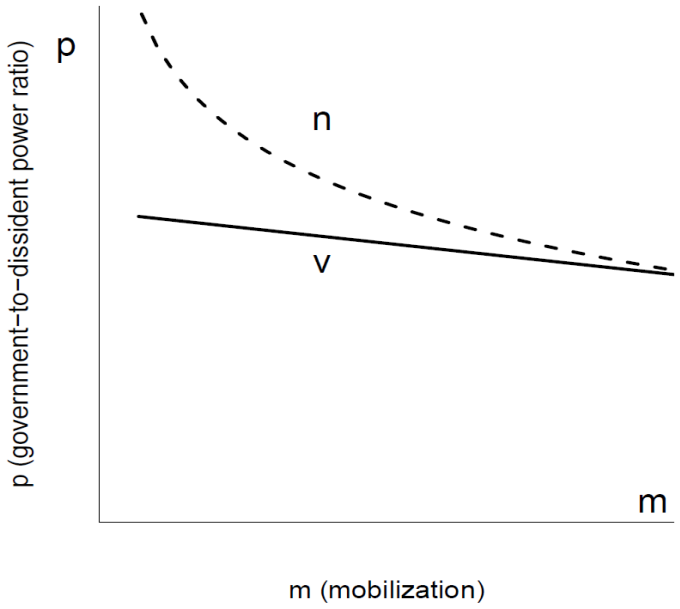

Figure 2: Relative power p by mobilization m and tactic.
Note: *p* indicates the relative power of government-to-dissidents, and relative dissident power 1 − *p* is decreasing in *p*.

Power by tactics and maximum mobilization

Figure 2 provides a stylized representation of how relative power p^v (solid line) and p^n (dashed line) changes by mobilization *m*. Recall that *p* is scaled so that values closer to 0 indicate stronger dissidents, since dissidents maximize the probability of success in 1 − *p*. Figure 2 is drawn so that violent tactics are always relatively more effective than nonviolent tactics at any specific level of mobilization *m*. The gap is larger when mobilization is low, but nonviolent tactics become gradually more effective with higher mobilization. A tactic is only feasible if a group can mount sufficient participants to achieve some non-negligible impact. In Figure 2, a violent confrontation has a non-trivial impact p^v even with low participation *m*, whereas p^n remains close to 1 (i.e., complete government predominance) when *m* is low.

Figure 2 reflects the uncontroversial claims that nonviolent tactics with low participation will have limited coercive power,[15] while even relatively small violent movements can be costly for governments and difficult to defeat conclusively.[16] Dissidents can overcome a small size disadvantage through covert action (making it difficult to target

[14] Others propose alternative formal frameworks of tactic choice. DeNardo (1985) treats mass mobilization as a function of distance to individual ideal points, where people participate when movements choose a platform closer than government policy. More complex extensions introduce costs of participation (particularly with respect to mobilization under repression) and suggest that movements with low support may choose violence to increase pressure. However, there is no explicit comparison of violent and nonviolent tactics, group characteristics, or systematic empirical evaluation. Bhavnani and Jha (2014) propose a model where a government faces higher costs in repressing a nonviolent than a violent movement, due to sanctions by international audiences, but do not explicitly discuss if mobilization may vary by tactics.

[15] Chenoweth and Stephan (2011); DeNardo (1985); Kuran (1989).

[16] Arreguin-Toft (2001); Butler and Gates (2009). For example, the terrorist campaign of the Greek Revolutionary Organization 17 November – with only 20 active participants (Corsun, 1992) – is estimated to have decreased foreign direct investment and tourism revenue by about 12% (Enders and Sandler, 1996).

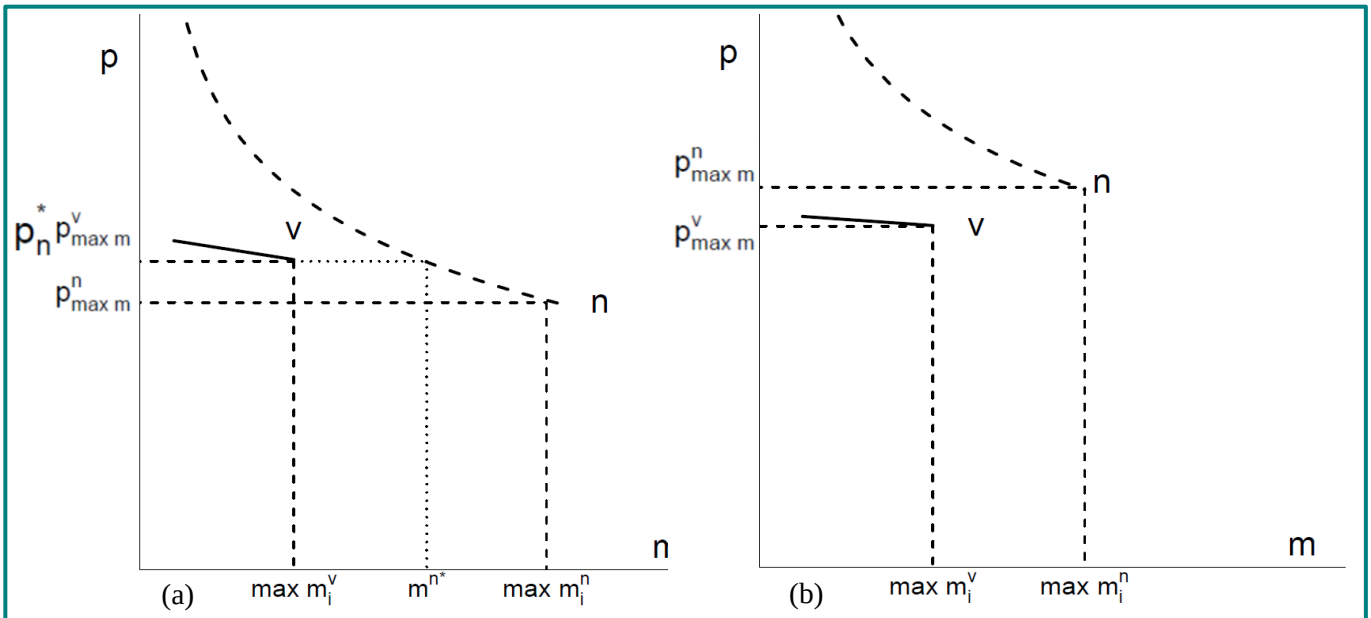

Figure 3: Relative power *p* by maximum mobilization m_{max} for tactic *n*, *v*.

participants) or choosing "soft" targets (for example civilians rather than well-protected official targets), and aspire to grow through the attention generated by attacks.[17] Nonviolent direct action from below can primarily be effective when it is public, and active participants expose themselves to potential retaliation. However, the risk to individual participants decreases and effectiveness increases when mobilization *m* is substantial.[18] Several successful nonviolent campaigns have mobilized more than 100,000 participants.[19]

We now proceed to consider how maximum achievable mobilization *m* can differ by tactic. Chenoweth and Stephan suggest that nonviolent movements have a *general* mobilization advantage since they can enlist more participants than violent campaigns.[20] Violent conflict has high initial recruitment costs, as preparing individuals for effective combat requires substantial training and equipment. This limits the numbers that can be recruited at the outset, and it will take time to convert potential recruits to skilled soldiers. For example, the 1944 Warsaw uprising in Poland had more active insurgents (ca. 500,000) than the relatively small local German forces, but was unable to convert troop superiority into effective military power due to a lack of arms and training. Moreover, the individual opportunity costs for participating in violence are often high, since active participation is difficult to combine with civilian life and employment, further suppressing voluntary recruitment. By comparison, nonviolent action has lower barriers to participation, with few if any requirements for training, and campaigns can in principle quickly mobilize participants. Likewise, the opportunity costs tend to be lower than for armed conflict, and participants can often switch between activism and civilian lives. In sum, the maximum achievable *m* can be much higher for nonviolent than violent tactics.[21]

We argue that a mobilization advantage sufficient to improve the relative power *p* ultimately depends on the

[17] Bapat (2005); Beardsley, Gleditsch and Lo (2015).
[18] DeNardo (1985); Kuran (1989); Sharp (1973).
[19] Chenoweth and Stephan (2011).
[20] Chenoweth and Stephan (2011).
[21] Participation in nonviolence can be fickle, especially since organizations can rarely reward or control individual participants. Violent groups can often reward individual participants and punish defection, see Bhavnani and Jha (2014); Gates (2002). This helps to account for why violent conflicts tend to last longer than nonviolent campaigns.

maximum feasible mobilization, contra to Chenoweth and Stephan. Movements differ in audience or potential and can only be more effective using nonviolence *n* when they can mobilize sufficiently more active participants using nonviolence compared to violent tactics. Figure 3 compares two movements with a large audience (left) and a limited audience (right). In the left panel (a) maximum mobilization with nonviolence m^n_{max} is sufficiently large relative to maximum mobilization with violence m^v_{max} to make $p^v_{\max m} < p^n_{\max m}$ so that the group is more effective using nonviolent tactics. However, if there is a sufficiently low ceiling on m^n_{max}, then the fact that this is a larger number than m^v_{max} does not by itself yield a non-violent mobilization advantage. In the right panel (b), nonviolent tactics have a comparative disadvantage over violent tactics, even though maximum mobilization is much larger. Appendix B provides a simple general proof of the proposition that mobilization beyond a critical value will give a higher probability of success for a nonviolent strategy than for a violent strategy.

We can now relate dissident movement characteristics to the choice of tactics. The model shows that a nonviolent mobilization advantage requires a large potential audience and, with a low ceiling on m^n_{max}, nonviolent tactics will have a comparative disadvantage, making dissidents more likely to choose violent tactics. The underlying incompatibility and specific claims of a movement will define its potential audience.[22] Mobilization can also differ if individuals have preferences over tactics, for example, if some potential participants do not support violent tactics or are sensitive to the costs of violence. Achievable violent mobilization m^v_{max} will then be capped at a lower level than mobilization using nonviolent tactics m^n_{max}. Finally, resource availability will shape the share of the audience that movements can mobilize.[23] A movement with greater resources for eliciting individual participation is more likely to have a mobilization advantage in nonviolence. For example, it is easier to organize nonviolent dissent in a large urban population with greater individual skills and endowments, and so violent conflict is likely to be more common in the periphery with its low human capital intensity.[24]

Actual mobilization will, of course, depend on many other factors, including ideology, leadership, and the state's ability to preempt or deter. Still, many propositions on differences in conflict movements can be derived from the simplified model. First, since the potential audience is larger, nonviolent action should be more likely for challenges over governance than secession, where the appeal is likely to be limited to a distinct ethnic group.[25] Efforts to change the government must appeal to a large audience and attempt to convert government supporters, making it more likely that violence would prove counterproductive and would alienate potential supporters.

Second, movements that have more resources are more likely to have a nonviolent mobilization advantage. Individual and community resources facilitate particular types of collective action. We expect movements to have a nonviolent mobilization advantage in urban societies with greater individual skills and collective resources that can facilitate nonviolent mobilization, and where states are more vulnerable to disruptive activities. Small and resource poor movements have limited ability to impose significant costs through nonviolent protest and are more likely to perceive better prospects through violent rebellion.

Third, movements that can mobilize throughout a country have better prospects for nonviolent tactics, whereas movements confined to the periphery are more likely to choose violent tactics. Separatist groups tend to focus on claiming a homeland and normally have limited interest and capacity to act elsewhere.[26] Nonviolent challenges to the government are unlikely to have much impact unless they engage the capital and major cities. Thus, we should see a higher share of nonviolent conflicts extending over large areas (including capital cities), and a higher share of violent conflicts confined to peripheral locations.

[22] Buhaug (2006); Sobek and Payne (2010).
[23] McCarthy and Zald (1977).
[24] García-Ponce and Wantchékon (2020); Thyne (2006).
[25] Cunningham (2013, 2014); Cunningham, Dahl and Frugé (2017).
[26] Beardsley, Gleditsch and Lo (2015).

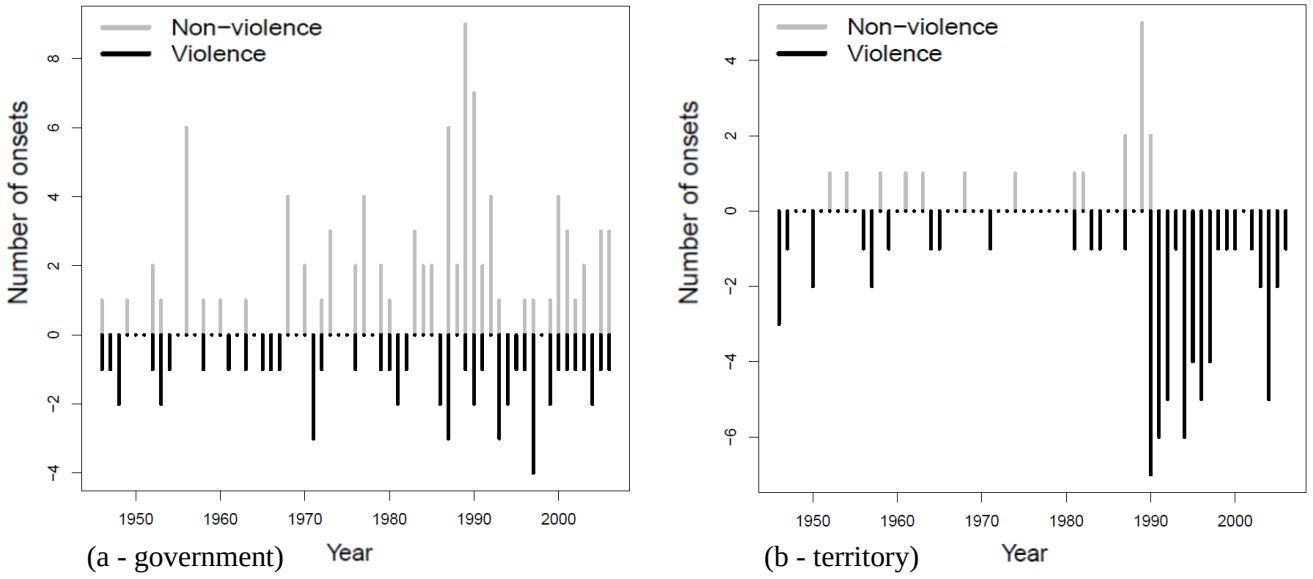

Figure 4: Conflict onsets by tactic and incompatibility.

Empirical evaluation

To consider whether the predictions of the model are consistent with the evidence in the available empirical data, we first look at the characteristics of violent and nonviolent movements. Second, we look at patterns of onset for types of mobilization and country profiles, and how this varies by plausible motives, audiences, and resources. Third, we look at data on self-determination groups where we can explicitly consider the potential audience size.

We compare NAVCO 2.0 nonviolent campaigns with violent armed conflicts in the Uppsala Armed Conflict Data (ACD).[27] Figure 4 shows the number of violent (black downward bars) and nonviolent (grey upwards bars) mobilizations for each incompatibility type. There are notably more nonviolent than violent mobilization onsets for governmental incompatibilities (panel a), consistent with our claim that dissident groups with more encompassing claims and larger max mobilization m are likely to have a comparative advantage in nonviolent tactics. In contrast, territorial incompatibilities (panel b) are more likely to see violent mobilization, in line with our claim that smaller secessionist groups are likely to have a comparative disadvantage in nonviolent direct action relative to violence. Indeed, we have only 13 NAVCO territorial nonviolent campaigns in sovereign states.[28]

[27] NAVCO focuses on nonviolent campaigns with maximalist claims and more than 1,000 participants (Chenoweth and Lewis, 2013), while UCDP armed conflicts must have more than 25 battle-deaths per year (Gleditsch et al., 2002). NAVCO includes data on violent wars with more than 1,000 battle deaths, but the apparent parallel between battledeaths and participants is misleading, since violent campaigns have more participants than battledeaths. NAVCO also reports campaigns taking place in countries before they become independent, for example former Soviet republics. We recode these as events in the independent state in existence when they take place. We remove the military coup d'etats included the ACD (i.e., coups that generate more than 25 battledeaths), as these arise from intra-elite government conflict rather than dissident mobilization (Powell and Thyne, 2011). ACD distinguishes between territory and government, while NAVCO classify campaign aims as i) regime change, ii) significant institutional reform, iii) policy change, iv) territorial secession, v) greater autonomy, or vi) anti-occupation. We consider the first three governmental incompatibilities and the latter three territorial incompatibilities.

[28] Five cases take place in the former Soviet Union or Yugoslavia at the end of the Cold War. NAVCO codes Czechoslovakia 1968 and Hungary 1956 as responses to foreign occupation by the USSR, but both could arguably be considered anti-government. We provide a full list in the Appendix C.

Figure 5 shows how active participation in nonviolent mobilization exceeds by far the number of participants in violent movements. The median participation rate for nonviolent campaigns is 100,000, and 16 campaigns have more than one million participants, while the median rebel troop estimate in violent armed conflict is only 4,000.[29] This is consistent with movements being more likely to choose nonviolent tactics if they have large potential audiences and plausible expectations for large-scale mobilization.[30]

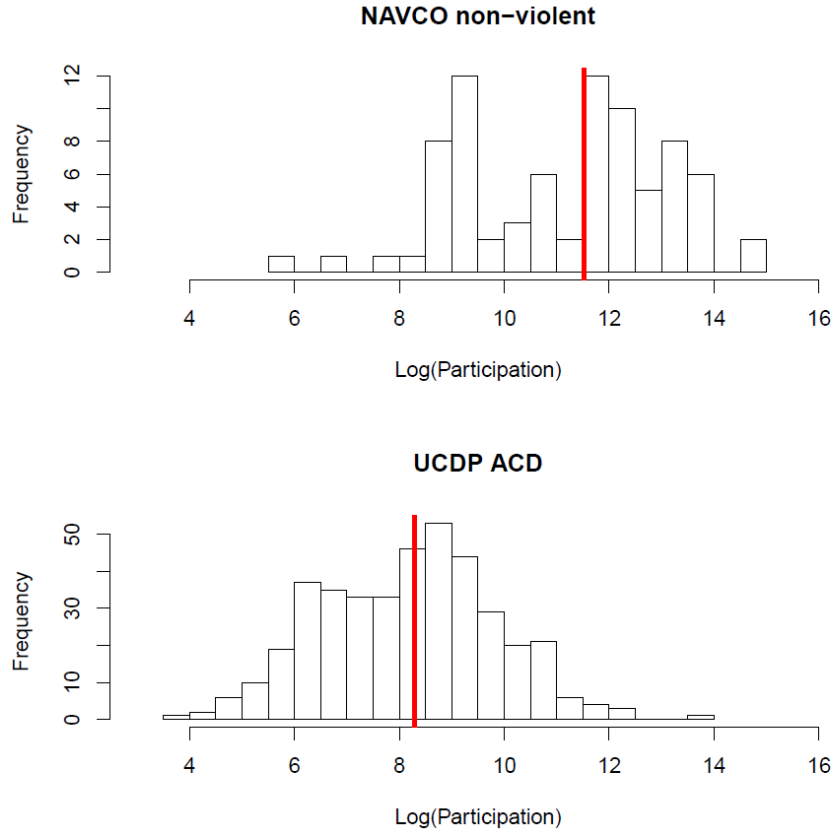

Figure 5: Logged number of active participants by type of manifest conflict, median superimposed.

Finally, nonviolent and violent mobilization tend to take place in different locations. We classify whether NAVCO campaigns are a) limited or concentrated mainly to the capital city, b) widespread throughout the entire country, or c) limited to the periphery. Figure 6 compares NAVCO locations with comparable information for violent campaigns, based on the Conflict Sites data.[31] Fighting in armed conflicts is generally confined to the periphery, while nonviolent mobilization most often takes place in the capital or is widespread throughout the country. This is consistent with our claim that movements with an urban base are more likely to choose nonviolent tactics while groups with lower resources and limited audiences are more likely to choose violent tactics and fight in the periphery. Data from UN population statistics add further support to these conclusions, showing that nonviolent mobilization tends to take place in countries with larger urban populations, while civil wars occur in less urbanized countries. The median urban population in a country experiencing civil war is 5.23 million, while the median urban population in cases undergoing nonviolent campaigns is 16.52 million, over three times as large.

Skeptics may wonder if these conclusions could be skewed by only looking at major conflicts and nonviolent mobilization with more than 1,000 participants. For this to be the case, the truncation or exclusion of lower scale nonviolent events would have to be more severe than for violent events. But this does not appear to be borne out by

[29] Civil wars that reach large participation often do so long after the initial onset, and under exceptional circumstances. For example, rebel troops peaked at 120,000 in Afghanistan, but this reflected massive external aid to build a mass army, and the rebels started with only about 4-5,000 troops. See also Cunningham, Gleditsch and Salehyan (2009).
[30] Ethnic groups are rarely involved in mass nonviolent direct action, but those who do are on average much larger than the average groups in civil war—14.6 million vs 3.1 million, see Wucherpfennig et al. (2012). Cunningham (2013) finds that larger ethnic groups seem relatively less likely to use nonviolent direct action over conventional politics, but only compares them against active movements. She also reports that large groups are more likely to be politically included.
[31] Hallberg (2012).

the existing data, as we have many more low-level violent events than nonviolent events below the participation thresholds. Using the Global Terrorism Database (1970-2016)[32] for more encompassing data on intentions to use violence and the Social, Political, Economic Event Database (SPEED, 1945-2015)[33] for civil unrest without a mobilization threshold, we found 2.3 more country-years with domestic violent attacks outside (rather than inside) civil wars, but only 2.1 times more country-years with civil unrest outside rather than inside NAVCO campaigns. This is not consistent with the conjecture that the apparent differences between nonviolent and violent mobilization events arise as an artefact due to us selecting "larger" nonviolent events.

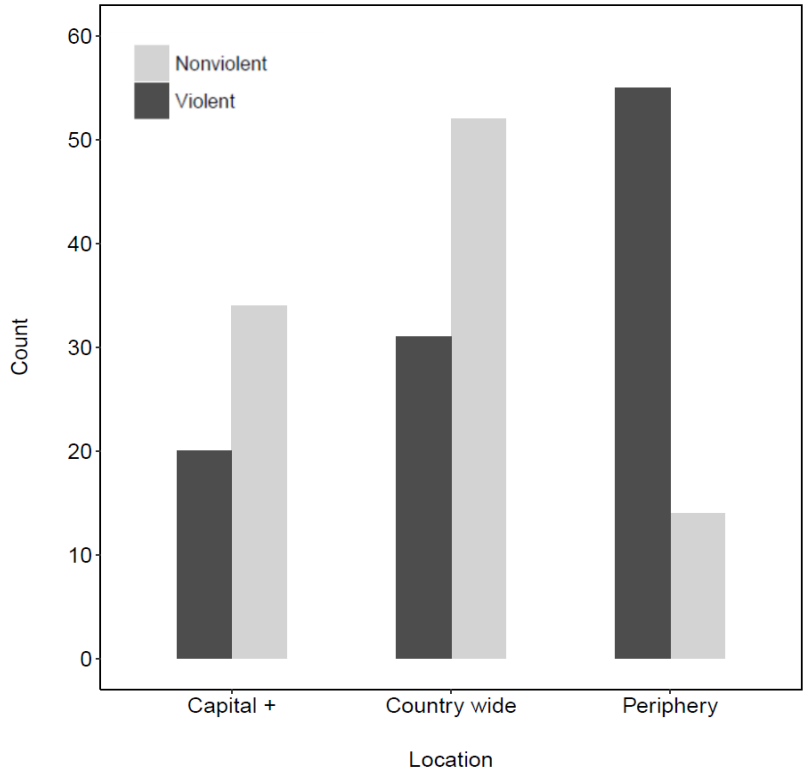

Figure 6: Location of manifest conflict by tactic.

Movement characteristics and initial mobilization

We have seen above that nonviolent movements tend to have larger universal audiences, mobilize in capitals and other cities, and need more resources to facilitate mobilization. But if the likelihood of nonviolent mobilization is sensitive to expected dissident mobilization, then we should also see more observed inaction—or violent tactics—when the mobilization potential is low.

Although it is challenging to identify potential movements ex ante,[34] we can look at the likelihood of nonviolent mobilization with measures reflecting potential motivation and resources for dissent.[35] We assume that motivation for nonviolent direct action increases with the absence of democratic institutions and use the polity institutionalized democracy scale to construct a dichotomous measure of non-democracy, flagging cases below 6 (i.e., -10 to 5).[36] We proxy resources by the log of total urban population, using estimates from the United Nations Population Division.

Previous research argued that civil war is more likely in countries with larger populations. Indeed, some argued that incentives for conflict increase with country size.[37] Chenoweth and Lewis (2013) suggest that nonviolent campaigns are more likely in countries with higher GDP per capita.[38] We control for income and total population, which may be correlated with greater urbanization and government reliance on popular compliance.[39] We also control

[32] LaFree and Dugan (2007).
[33] Nardulli, Althaus and Hayes (2015).
[34] Cunningham et al. (2017); White et al. (2015).
[35] This is comparable to Buhaug, Cederman and Gleditsch's (2014) analyses of civil war.
[36] Jaggers and Gurr (1995).
[37] Alesina and Spolaore, (2003); Fearon and Laitin (2003).
[38] Chenoweth and Lewis (2013).
[39] Using data from Gleditsch (2002).

for whether a country has one or more excluded ethnic groups in the Ethnic Power Relations (EPR) data, as ethnic exclusion can increase the risk of civil war, and may be associated with political marginalization not captured by democratic institutions.[40] Violent and nonviolent direct action are not mutually exclusive; a country could experience both in the same year, and violence could crowd out nonviolence and so reduce the mobilization advantage.[41] We thus control for ongoing civil war. Finally, violent conflict has a strong tendency to recur, so we consider the time since a nonviolent campaign or independence movement took place, recorded back to 1900. Since time dependence is unlikely to be fully linear in years, we take the log (adding 1 to the base).

Table 1 presents a series of logit estimates of the onset of nonviolent action campaigns for different specifications. Model 1 uses the full polity scale and shows nonviolent campaign onset to be less likely in more democratic countries, which is consistent with our claims about non-democracy as motivation and the plausible mobilization advantage of non-sectarian campaigns. In Model 2 we replace the polity democracy measure with the binary measure, contrasting democracies and non-democracies. Non-democracies again are more likely to see non-violent campaigns, and other results change little. Some have suggested that democracy will have an inverted U-shaped effect on dissent, with the highest mobilization in countries with sufficient motivation and opportunities, so in Model 3 we add the square of the polity measure.[42] The results show no support for

Table 1: Nonviolent campaign onset

	Model			
	(1)	*(2)*	*(3)*	*(4)*
Civil war	−0.285	−0.304	−0.262	−0.266
	(0.295)	(0.293)	(0.294)	(0.294)
Exclusion	0.636**	0.600**	0.599**	0.582**
	(0.252)	(0.253)	(0.252)	(0.253)
Polity	−0.081***		−0.085***	
	(0.018)		(0.019)	
Non-democracy		1.337***		
		(0.320)		
Polity$_2$			−0.007*	
			(0.004)	
Autocracy				1.463***
				(0.327)
Anocracy				0.986***
				(0.395)
Ln urban population	0.667**	0.636**	0.641**	0.666**
	(0.279)	(0.283)	(0.285)	(0.283)
Ln population	−0.242	−0.207	−0.213	−0.243
	(0.285)	(0.290)	(0.291)	(0.290)
Ln GDP per capita	−0.206	−0.187	−0.143	−0.195
	(0.157)	(0.161)	(0.165)	(0.161)
Ln time at peace + 1	−0.082	−0.061	−0.060	−0.073
	(0.099)	(0.099)	(0.100)	(0.100)
Constant	−6.503***	−7.626***	−6.720***	−7.420***
	(1.648)	(1.759)	(1.688)	(1.757)
Observations	8,525	8,525	8,525	8,525
Log Likelihood	−420.725	−421.716	−418.966	−420.326
Akaike Inf. Crit.	857.450	859.432	855.932	858.652

Notes: The dependent variable for all models is Nonviolent campaign onset. *p<0.1; **p<0.05; ***p<0.01

[40] Buhaug, Cederman and Gleditsch, 2014.
[41] See also DeNardo (1985).
[42] Muller and Weede (1990).

an inverted U-shaped relationship, with the flex point at -6 (far from the middle) and only a small change in the log likelihood. Model 4 considers the tri-partite regime typology suggested by Jaggers and Gurr, using democracies as the reference category. The results also do not support the suggestion that onset is more likely in anocracies than autocracies; rather, the coefficient for the latter is larger.

The coefficient for ethnic exclusion in Model 1 is positive, indicating a higher risk of nonviolent campaigns when political systems discriminate against ethnic groups. But this reflects more non-sectarian mobilization in more exclusionary states rather than ethnic separatist mobilization, since we have very few ethnic nonviolent campaigns. The estimated coefficient for the binary non-democracy term in Model 2 is twice as large as the dichotomous ethnic exclusion measure, indicating a much higher likelihood of mobilization in non-democracies than countries with excluded ethnic groups.

Turning to mobilization resources, we find these results to be in line with our expectations that nonviolent mobilization is more likely when there is a larger urban population and higher capacity for collective action in cities.

Table 2: Alternative responses

	Model				
	(1)	*(2)*	*(3)*	*(4)*	*(5)*
Dependent variable	NVC onset (gov.)	NVC inc.	UCDP CW	Ethnic CW	Non-ethnic CW
Civil war, gov.	−0.378 (0.386)				
Civil war		−0.163 (0.178)			
Nonviolent camp.			0.272 (0.413)	0.377 (0.559)	0.155 (0.611)
Exclusion	0.522** (0.261)	0.545*** (0.163)	0.685*** (0.200)	0.807*** (0.302)	0.679*** (0.263)
Polity	−0.077*** (0.019)	−0.058*** (0.011)	−0.027* (0.014)	−0.010 (0.021)	−0.033* (0.020)
Ln urban population	0.578** (0.284)	1.073*** (0.191)	−0.175 (0.154)	−0.210 (0.221)	−0.077 (0.210)
Ln population	−0.205 (0.293)	−0.698*** (0.195)	0.411** (0.171)	0.566** (0.247)	0.209 (0.232)
Ln GDP per capita	−0.228 (0.165)	−0.160 (0.103)	−0.333*** (0.125)	−0.516*** (0.189)	−0.331** (0.162)
Ln time w/o NVC + 1	−0.039 (0.104)	−1.113*** (0.054)			
Ln time w/o UCDP CW + 1			−0.479*** (0.079)		
Ln time w/o ethnic CW + 1				−0.613*** (0.111)	
Ln time w/o non-ethnic CW + 1					−0.228** (0.115)
Constant	−6.087*** (1.736)	−2.504** (1.092)	−3.125** (1.258)	−3.388* (1.873)	−3.085* (1.661)
Observations	8,584	8,700	7,495	7,428	7,436
Log Likelihood	−389.799	−766.008	−567.358	−287.088	−365.115
Akaike Inf. Crit.	795.597	1,548.015	1,150.717	590.175	746.231

Note: p<0.1; **p<0.05; ***p<0.01

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The coefficient for the log of urban population is positive and statistically significant. This contrasts with research on civil war, where larger total or peripheral population is associated with higher conflict risks. We find little evidence that either GDP per capita or total population display a clear relationship with the onset of nonviolent campaigns. Thus, there is no evidence that the effect of a larger urban population simply reflects larger or wealthier countries. The absence of a general impact of population size underscores our argument about relevant resources and the predominantly urban basis for nonviolent action.

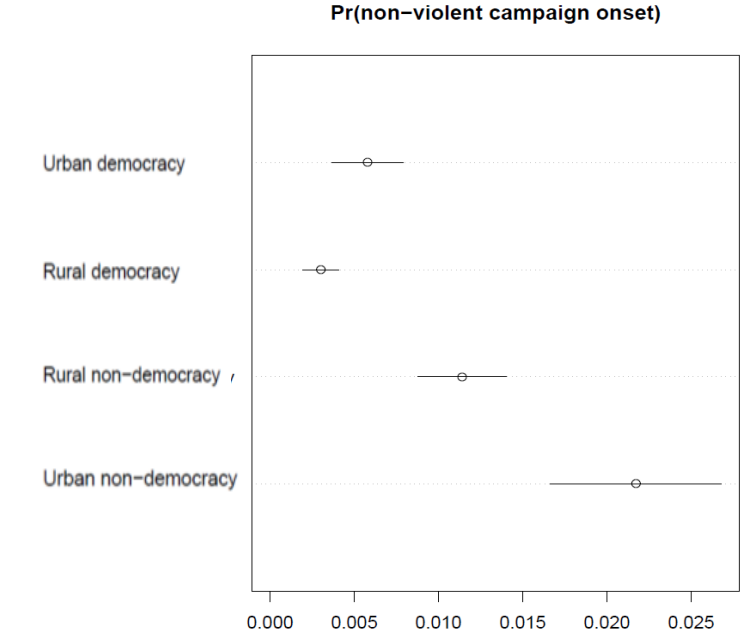

Figure 7: Nonviolent campaign onset by country profiles.

One might argue that our propositions primarily pertain to nonviolent campaigns over the government. In Model 1 Table 2 we drop campaigns over territorial issues, but our results do not change notably. Model 2 shows that the results are similar for nonviolent campaign incidence, and thus not sensitive to the specific years assigned for onset or excluded years with ongoing campaigns. In Models 3 to 5 we replace nonviolent campaigns with measures of violent civil conflict onset. The results remain consistent with the idea that similar motives can spur different types of direct action, but there are marked differences in the factors influencing opportunities. Indeed, the coefficient for urban population on violent conflict is negative, though insignificant in Model 4, which is restricted to only ethnic civil wars, where organizations make claims on behalf of distinct ethnic groups (based on the ACD2EPR data),[43] and it remains negative in Model 5 for civil wars over the government.

Figure 7 displays predicted probabilities of nonviolent mobilization onset with error bars for profiles where countries are democratic or non-democratic and largely urban (70%) and rural (25%), based on the first and third quartile of the sample distribution and the estimates from Model 3 Table 2, holding all other factors at the median. It shows the highest likelihood of nonviolent campaign onset to be in urban non-democracies, where the predicted risk is twice as large as the risk in rural non-democracies. Although the risk of nonviolent campaigns is higher with a larger urban population, the likelihood of a nonviolent direct-action campaign remains low in a democracy. In sum, the likelihood of nonviolent mobilization is much higher in countries with a large urban population, while the predicted likelihood of a violent civil conflict is highest for a rural non-democracy.

The country level analyses do not allow us to explicitly compare group size and tactic choice, but further analysis can be undertaken of ethnic groups, where the size of the constituency is known ex ante. Although few ethnic movements engage in mass nonviolent direct action, organizations linked to self-determination groups do often engage in lower-level mobilization and other activities that are not violent.[44] We expect ethnic movements to be more likely to choose nonviolent strategies the larger the ethnic groups they claim to represent. The Strategies of Resistance

[43] Wucherpfennig et al. (2012).
[44] Cunningham, Dahl and Frugé (2020).

Data Project (SRDP) records violent and nonviolent activities by self-determination organizations. Table 3 reports logit models of the impact of ethnic group size (as measured in EPR) on the use of violent and nonviolent tactics as recorded by the SRDP data.[45] The results indicate that the likelihood of both nonviolent and violent activity increases with group size. However, as Figure 8 shows, the likelihood of nonviolence increases much more rapidly with size than the likelihood of violence and is more likely for larger ethnic groups. These results suggest nonviolent action becomes more likely in more democratic countries with higher polity scores, but it should be kept in mind that unlike the NAVCO data, the SRDP data are not limited to direct action and also include nonviolent routine political action.

Table 3: Pr(tactic) by self-determination group size

	Model	
	(1)	*(2)*
Pr(tactic)	Violence >0	Nonviolence >0
Log group size	0.117***	0.446***
	(0.027)	(0.032)
Imports as a percentage of GDP	−0.009***	−0.002
	(0.002)	(0.003)
Polity	−0.008	0.054***
	(0.007)	(0.008)
Log GDP per capita	−0.157***	0.231***
	(0.040)	(0.045)
Constant	−0.027	−6.372***
	(0.393)	(0.463)
Observations	3,171	3,171
Log Likelihood	−1,961.120	−1,586.989
Akaike Inf. Crit.	3,932.239	3,183.977

Note: ∗p<0.1; ∗∗p<0.05; ∗∗∗p<0.01

Conclusion

Using a simple bargaining model, backed up by empirical analysis, this article has found that nonviolent and violent mobilization may arise from similar motives, but different movement characteristics are likely to give a comparative advantage to one or the other tactic. Movements that aim at overturning dictatorships, have large potential audiences, and can mobilize many in key cities are likely to have a comparative advantage in nonviolent tactics. In contrast, movements that have a limited support base and core support confined to the periphery are more likely to have a comparative advantage in violence and are unlikely to be able to mount effective nonviolent mobilization.

This article's claims and findings challenge common tenets in conflict

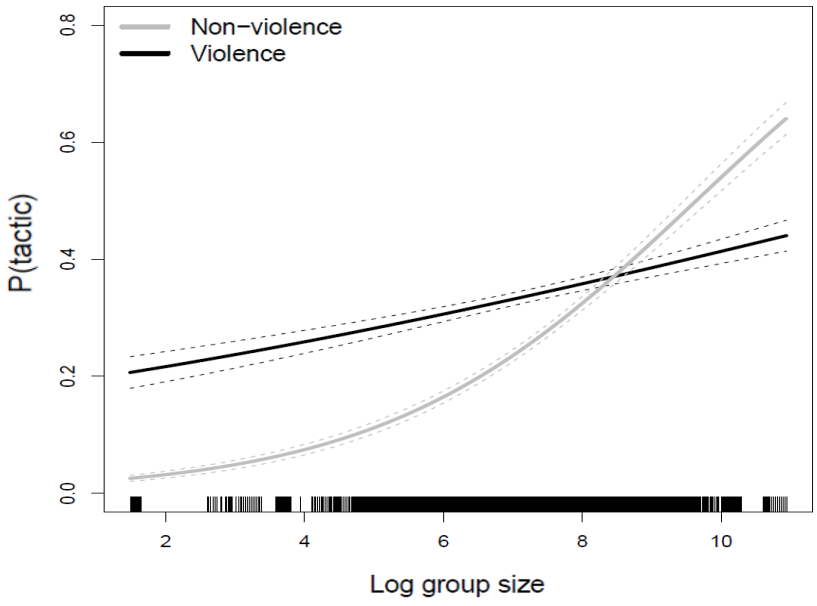

Figure 8: Ethnic group size and nonviolent and violent tactics.

[45] Following Cunningham, Dahl and Frugé (2017) we control for Polity, GDP per capita, and imports as a percentage of GDP.

research. Many have argued that violent rebellion will be used whenever feasible[46] and that nonviolent tactics are employed primarily by weak groups that lack the capacity to use violence.[47] Both claims are misleading. Direct action and mobilization are unlikely in the absence of motives and nonviolence is a more likely tactic for stronger movements with wider support, which can mobilize more effectively using this tactic. Violent tactics will often be an adaptation to limited mobilization potential and poor prospects for effective nonviolent mobilization. Comparing campaign outcomes by tactics can be misleading if we do not account for expected numbers and how actor characteristics shape tactics.

This model of the technology of conflict and mobilization potential helps understand the relationship between factors affecting the choice of tactics and the prospects for success. A non-sectarian group challenging a dictatorship with a comparatively high resource base and a larger audience for mobilization has a comparative advantage in nonviolent tactics and can have better prospects for success. A secessionist group, with a peripheral rural base, faces an uphill challenge and is unlikely to improve its prospects for success by shifting to nonviolence. The initial choice of violence versus nonviolence should be considered in light of the group characteristics or strategic context. Movements will then choose the tactic that gives them the greatest chance of affecting change. Nonviolent campaigns may on average see a higher success rate than violent campaigns, but only rarely can ongoing violent campaigns increase their likelihood of success by shifting unilaterally to a nonviolent direct action strategy. A nonviolent movement is unlikely to become "more effective" by turning to violence.

This study suggests a number of promising avenues for further research. First, the basic modeling framework can be extended in several ways. For example, the state as an independent actor deserves closer attention, as states can repress and make efforts to deter or minimize active mobilization.[48] States may encourage a shift to violence if participation is successfully deterred and can also try to discourage mobilization by accommodation or offer deals to make a sufficiently large share of the population step away from participating in active dissident groups.[49] Second, movements can innovate and try to improve their prospects. Successful framing, training and dissemination can increase support, and generate a nonviolent mobilization advantage. The observed diffusion in nonviolent campaigns and apparent tactical learning is consistent with this.[50] Finally, event data can provide more information on the choices of actors and types of actions, beyond the campaign thresholds used here, with more refined measures of nonviolent and violent events. Looking at acts of disorganized violence, such as riot and attacks on police, can allow us to consider to what extent violence crowds out nonviolence or arises in response to low participation. Still, our model and analysis here have demonstrated the fundamental importance of movement characteristics and the ability to garner support in understanding the tactics and strategies in political dissent and mobilization.

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[46] E.g., Collier, Hoeffler and Rohner (2009).
[47] E.g., Geddes, Wright and Frantz (2018).
[48] E.g., Danneman and Ritter (2014).
[49] E.g., Koos (2016).
[50] E.g., Gleditsch and Rivera (2017).

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Appendix A: Shifts in predominant method of resistance, NAVCO 2.0

Table A1 lists all campaigns with apparent shifts in independent states in the NAVCO 2.0 data. Some reflect new organizations emerging rather than an existing organization or leadership changing tactics. For example, NAVCO records a switch in Kosovo from nonviolence to violence as the primary tactic in 1998 when the Kosovo Liberation Army (KLA) launched a violent campaign. But the Democratic League of Kosovo (DLK) leading the prior nonviolent movement did not change strategy or disappear when the KLA emerged. The basis for determining what constitutes "primary" tactics here and elsewhere in these data is not fully clear. Other shifts, such as in South Africa, appear to arise due to changes in the external context. For example, both the African National Congress and the Government explicitly acknowledge changing tactics in response to the end of the Cold War (See https://tinyurl.com/yd9p8y3s and https://tinyurl.com/ydda4xpm). The NAVCO data have no minimum threshold for violence, and in some cases record shifts to residual violence without significant deaths after the end of a nonviolent campaign (as in Guyana 1991). This makes the low share of shifts to violence even more remarkable.

Table A1: Shifts in Predominant Method of Resistance,

Country	*Campaign*	*Years*	*Shift Year*	*Change*
Algeria	Islamic Salvation Front	1992-2006	1992	NV → V
Chile	Anti-Pinochet Movement	1983-1989	1983	NV → V
			1984	V → NV
Colombia	Liberals of 1949	1946-1953	1947	NV → V
El Salvador	Salvadoran Civil Conflict	1977-1991	1979	NV → V
Guatemala	Marxist rebels (URNG)	1961-1996	1962	V → NV
			1964	NV → V
			1995	V → NV
Guyana	Anti-Burnham / Hoyte	1990-1992	1991	NV → V
India (Nagaland)	Naga Rebellion	1955-1975	1957	V → NV
			1959	NV → V
Indonesia (East Timor)	Freitilin	1974-1978	1974	NV → V
	Timorese Resistance	1988-1999	1988	V → NV
Indonesia (West Papua)	West Papua Anti-Occuption	1964-2006	2000	NV → V
Indonesia	Indonesian leftists / Anti Sukarno	1956-1960	1957	NV → V
			1958	V → NV
Israel (Palestinian Territories)	Palestinian Liberation	1973-2006	1986	V → NV
			1993	NV → V
Morocco (Western Sahara)	POLISARIO	1975-1991	1981	V → NV
			1983	NV → V
Nepal	CPN-M/UPF	1996-2006	2005	V → NV
Papua New Guinea	Bougainville Revolt	1989-1998	1997	V → NV
Philippines	Moro National Liberation Front	1970-1980	1975	V → NV
			1976	NV → V
Romania	Anti-Ceaucescu	1987-1989	1988	NV → V
Russia	Chechen Separatists	1994-2006	1996	V → NV
			1997	NV → V
South Africa	First Defiance Campaign	1952-1961	1959	NV → V
		1984-1994	1989	V → NV
Sri Lanka	LTTE	1972-2006	1975	NV → V
UK (Northern Ireland)	IRA	1968-2006	1968	NV → V
			1993	V → NV
			1995	NV → V
			1998	V → NV
Yugoslavia (Kosovo)	Kosovo Albanian	1989-1999	1996	NV → V

Appendix B: General proof for nonviolent mobilization advantage

In this section we provide a general proof for nonviolent mobilization advantage. We demonstrate that there will exist a level of mobilization where the probability of success is higher with a nonviolent strategy than a violent strategy, provided that the probability of success rises with greater numbers of people mobilized and a critical level of mobilization using nonviolence that sufficiently exceeds the maximum mobilization possible when relying on a violent strategy. To simplify the proof, we reverse the scaling in Figure 2 in terms of $\pi = 1 - p$, where higher values of π indicate a higher probability of dissident victory relative to the government.

Proof

Assume the probability that the dissidents win is a function of the tactics (*n* or *v*; nonviolent and violent) and the number of people mobilized, *m*. We write the probability of winning with tactic *t* and people *m*, $\pi_t(m)$. Further, we assume the number of people mobilized is also a function of the tactic and some general "size of audience" $a : m^t(a)$.

We further assume that both π^t's are increasing in *m*, and for a fixed *m*, $\pi^v(m) > \pi^n(m)$, i.e., more active participants means a higher chance of success, and for a fixed number of participants, violence is most effective. It is also reasonable to assume that both m_t's are (weakly) increasing, and that for any size of audience *a*, $m^n(a) > m^v(a)$: that is to say, a nonviolent movement can have more active participants than a violent movement.

A movement will choose nonviolent tactics if $\pi^n(m^n(a)) > \pi^v(m^v(a))$. Given the above assumptions, a movement will choose nonviolent or violent tactics, depending on whether the (a) "violence is more effective for fixed *m*" or (b) the "more *m* with nonviolence" effect is larger. The change in the chance of winning with tactic *t* as the audience increases is:

$$\frac{\partial \pi^t}{\partial a} = \frac{\partial \pi^t(m)}{\partial m} \frac{\partial m^t(a)}{\partial a}. \qquad \text{(B1)}$$

By the above assumptions, both terms are (weakly) positive, so the probability of winning with either tactic is (weakly) increasing with the audience.

Implicit in our argument is that a larger audience increases potential active mobilization in terms of m^n (nonviolent tactics), but to a lesser extent with respect to m^v (violent tactics). Given this, as the size of audience increases, the probability of success with nonviolent tactics, $\pi^n(m^n(a))$, increases while the probability of success with violent tactics, $\pi^v(m^n(a))$, does not increase as much, and so the relative appeal of nonviolent tactics increases. Moreover, if the rate of this increase does not approach zero, then as *m* rises, nonviolent tactics will eventually be superior.

More generally, if:

$$\frac{\partial \pi^v(m)}{\partial m} \frac{\partial m^n(a)}{\partial a} > \frac{\partial \pi^v(m)}{\partial m} \frac{\partial m^v(a)}{\partial a}. \qquad \text{(B2)}$$

This difference never approaches zero; thus, for sufficiently large enough audiences, nonviolent tactics will be better.

Mobilization advantage and costs

In this section, we provide a simple illustration of how a mobilization advantage could arise from differences in costs of conflict. The left panel in Figure C1 summarizes costs to the government C_j increasing with mobilization and tactic, while the right panel reflects the costs for dissidents C_i decreasing with m. For example, a small violent insurgency with low m may impose more substantial costs C_j on the government than a non-cooperation campaign with low participation, but the relative cost advantage of violent campaigns diminishes as m increases. Provided the costs to a government C_j increase with mobilization at different rates, then nonviolence may impose higher costs if m^n_{max} is sufficiently greater than m^v_{max}.

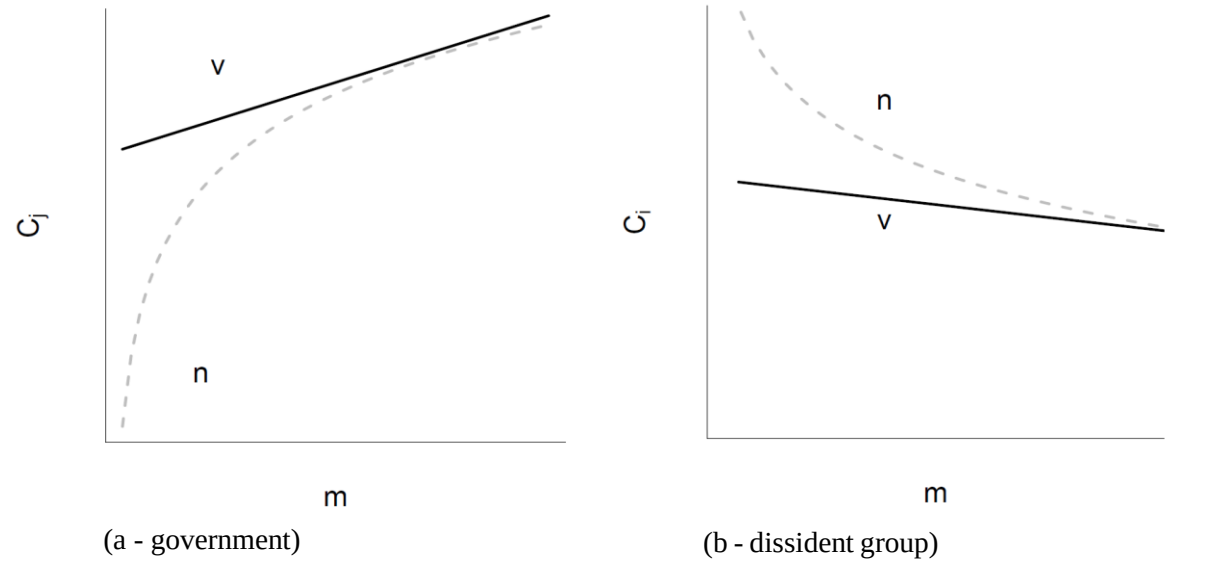

Figure C1: Costs by mobilization *m* and tactic for the government (left) and to dissidents (right)

The total costs to dissidents C_i can also differ by tactics, for example, if their vulnerability to government repression differs by maximum individual mobilization m. The total costs for participants in nonviolent dissent C_n are high when participation m is low. However, there is an important safety-in-numbers effect as the likelihood of an individual being targeted declines with the numbers mobilized m, and more difficult for the government to retaliate against large movements (Chenoweth and Ṥtephan, 2011; Nepstad, 2011, 2013). Provided the costs to dissidents increase with mobilization at different rates, nonviolence may be less costly to dissidents if m^n_{max} is sufficiently greater than m^v_{max}.

Appendix C: Territorial nonviolent campaigns

The NAVCO data only records 13 territorial nonviolent campaigns in sovereign states, not including campaigns in colonies. Two campaigns coded as territorial and responses to foreign occupation—Czechoslovakia 1968 and Hungary 1956 following interventions by the USSR—could arguably be considered anti-government. Five of the other cases take place in the former Soviet Union or Yugoslavia at the end of the Cold War. Note that the NAVCO data do not include many prominent secessionist movements such as Catalonia, Quebec, and Scotland, where movements rely on conventional political participation rather than direct action.

Table C1: Territorial nonviolent Campaigns

Country	*Name*	*Year*	*Target*	*Goal*	*Total Pop*	*Group Pop*	*Group Size*
Czechoslovakia	Czech Anti-Soviet Occupation	1968	Soviet Occupation	Anti-Occupation	14361	8976	0.63
Czechoslovakia (Slovakia)	Public Against Violence	1989	Czech Communist Government	Territorial Secession	15638	4817	0.31
China (Tibet)	Tibetan Uprising	1987	Chinese Occupation	Anti-Occupation	1104193	5079	0.005
Hungary	Hungary Anti-Soviet Occupation	1956	Soviet Occupation	Anti-Occupation	9911	8920	0.9
Indonesia (East Timor)	Freitilin	1974	Indonesian Occupation	Anti-Occupation	127545	6377	0.05
Israel (Golan Heights)	Druze Resistance	1982	Israeli Occupation of Golan	Greater Autonomy	4027	20	0.005
Nigeria (Ogoni)	Ogoni Movement	1990	Nigerian Gov. & Corp. Exploitation	Greater Autonomy	96154	481	0.005
UK (Northern Ireland)	IRA	1968	British Occupation	Anti-Occupation	55214	663	0.012
USSR (Estonia)	Singing Revolution	1987	Communist Regime	Greater Autonomy	282830	1414	0.005
USSR (Georgia)	Gamsakhurdia & Abkhazia	1989	Georgian Occupation	Territorial Secession	287630	4803	0.01
USSR (Latvia)	Latvia Pro-Democracy Movmt.	1989	Communist Regime	Territorial Secession	287630	1726	0.006
USSR (Lithuania)	Sajudis- Lithuanian Pro-Dem. Movmt.	1989	Lithuanian Regime	Territorial Secession	287630	2876	0.01
Yugoslavia (Kosovo)	Kosovo Albanian Nationalist Movmt.	1981	Yugoslav Government	Greater Autonomy	22471	2023	0.09
Yugoslavia (Kosovo)	Kosovo Albanian	1989	Serbian rule	Greater Autonomy	23695	2133	0.09
Yugoslavia (Slovenia)	Slovenia Anti-Communist	1989	Communist Regime	Regime Change	23695	1896	0.08
Yugoslavia (Slovenia)	Slovenian Independence	1990	Yugoslav Government	Territorial Secession	23818	1905	0.08

Note: Population in thousands.

Sources: NAVCO 2.0 campaign data, population data from the World Bank, group share data from EPR. Population values for Tibet from Hao (2000) and Golan heights estimate from https://www.bbc.co.uk/news/world-middle-east-14724844.

Symposium on Middle East and North African (MENA) conflict. Part 1: An introduction

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Since their independence, countries across the Middle East and North Africa (MENA) have witnessed subsequent waves of social and political conflicts. Armed and non-armed conflicts have almost become a defining feature of a region that has been struggling to find its own identity and a system that best represents its diverse communities and guarantees stability. Calibrated post-war power-sharing formulas of governance have produced authoritarianism, clientelism, elitism and a political post-war economy, where corruption, nepotism, injustice, and crony capitalism are rampant.[1]

The MENA region is one of the most conflict-prone regions in the world – one that is characterized by deep pockets of fragility.[2] Fragility in the region is both multidimensional and multifaceted. Yet the region has not been given the attention it deserves in terms of understanding the fault lines of fragility and conflict. Instead, the majority of the literature tends to focus on violent conflict, particularly in the post-Arab Uprisings, with little engagement on debates focusing on "failing", "failed", or "collapsed" states in a context of regionally entwined conflicts.[3] While inequality, marginalization and exclusion have either directly or indirectly been the sources of fragility and conflict in the region, they have also been consequences of other sources of conflict and fragility, such as the rise of Arab nationalism, sectarianism, and the rise of political Islam as well as the politics of authoritarianism and elitism in the region.

Today, the region stands at a crossroads and at a crucial tipping point. There is, therefore, an urgent need to understand and tackle the causes of fragility in the region and for paving the way for wider political dialogue towards reconciliation and peacebuilding. This special issue features country case-studies that explore some of the key features, challenges to fragility, and conflict in the MENA region. From Tunisia and Libya to Lebanon, Syria, and Yemen, this special issue provides an in-depth examination of the political economy challenges of fragility, conflict, and the dynamics of war and post-war economies in the region.

The special issue is split into two parts, with the first part published here and the second in the next publication of this journal. This first part will feature the cases of Lebanon, Sudan, Qatar, and Yemen. Except for Qatar, all the featured case-studies in this issue are war or post-war economies. As a post-war economy, Lebanon has been going through a deep economic and financial crisis since the end of 2019 that has driven the country to a political meltdown (exacerbated by the Beirut explosion in August 2020). The article "*Warlord politics and economic clientelism in Lebanon*" examines the interplay of the political, economics, and social factors that led to the current economic and political crisis. It further demonstrates how warlord politics and a corporate consociational system have misguided

[1] 'Calibrated' in this context refers to power-sharing formulas that are formulated and structured in a way to serve and consolidate the power of the elite across different groups of influence,
[2] E.g., Sørli et al. (2005); Potts et al. (2016); Kadri, e 2016; Turan 2017.
[3] Leenders 2010).

incentives and policies and consolidated a rentier economy that inevitably led to the current situation.

The article "*Restructuring state power in Sudan*", on the other hand, studies Sudan's protracted conflict(s), progression made during the current peace agreement, and how competitions between military and security elites have plagued Sudan's economy. The article examines the cost and impact of outstanding conflicts have upon sustaining peace in Sudan; it further demonstrates how senior military officers still pose a threat to Sudanese civilian rule, and the democratization process, in a context of fragility within Sudan.

"*Humanitarian aid and war economies: The case of Yemen"* examines this case of a country forced to cope with one of the worst humanitarian crises in the world today. Yet, despite Yemen's desperate need of humanitarian aid, relatively few studies have analyzed the impact of aid on Yemen today. This article, therefore, is both timely and novel in its contribution, due to its empirical analysis of humanitarian aid. It demonstrates that the ability of local NGOs to use and deliver supplies to those suffering is severely constrained and instead has allowed war economies to thrive. This is due to the multiplicity of looting by conflicting factions, corruption, and the absence of an international deterrent that obliges the conflicting parties to preserve human rights during this war. The article offers food for thought for international donors, encouraging them to seek alternative solutions for the effective delivery and distribution of humanitarian aid in fragile states.

The article "*Did the Qatar blockade work? Evidence from trade and consumer welfare three years after the blockade"* examines the effects of the embargo (blockade) imposed on Qatar in June 2017 by Saudi Arabia, the United Arab Emirates, Egypt and Bahrain. Using highly disaggregated product-destination-quarter trade datasets provided by the Qatar General Authority of Customs, the article argues that Qatar's aggregate imports and consumer welfare have witnessed a significant decline in the short-run, but not in the long. Political relations with non-besieging countries seem to be associated with Qatar's bilateral trade after the blockade, particularly in the first quarter following its imposition. Nevertheless, the blockade has tested Qatar's ability to cope with fragility and shows to what extent it succeeded in mitigating its impacts by diversifying its import destinations and adopting new reforms to stabilize the economy and enhance the country's food security and self-sufficiency in the medium and long-term.

With this year being the 10th anniversary of the "Arab Spring", the second volume of this special issue will take a deep dive into countries that have been challenged by the 2011 Arab Uprisings. While Libya and Syria have been gripped by armed conflict that completely transformed the political, economic, and social dynamics in both countries, both Tunisia and Egypt have had to deal with key questions and challenges regarding the existing social contract, democracy, religion and identity, terrorism and extremism coupled with the ensuing political economy of fragility in the aftermath of the Arab Uprisings.

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Warlord politics and economic clientelism in Lebanon

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Abstract

Since October 2019, Lebanon has been going through a deep economic and financial crisis that drove the country to a political meltdown. Facing a severe recession, high inflation and unemployment, nationwide protests in the aftermath of the Beirut explosion in August 2020 have led to the resignation of Hassan Diab's cabinet – the second government to resign within the span of a few months. This article studies the interplay of the political, economic, and social factors that led to the current economic and political crisis. We show how warlord politics, and a corporate consociational system have misguided incentives and policies and consolidated a rentier economy that inevitably led to the current situation.

On 4 August 2020, an ammonium nitrate explosion destroyed the Beirut Port and most of the surrounding area, killing around 200 people, injuring over 6,000 and rendering 300,000 inhabitants homeless. While Lebanon's Prime Minister Hassan Diab called the timing of the event *suspicious* and has attempted to divert the blame to undefined external forces,[1] the explosion is seen by many as the outcome of a dysfunctional state led by corrupt political elites and a government that is driven by sectarian interests instead of a commitment towards the common good.

The ensuing nationwide protests in the aftermath of the Beirut explosion led to the resignation of Hassan Diab's cabinet – the second government to resign within the span of a few months. At the same time, Lebanon has been going through a deep economic and financial crisis since October 2019.[2] The Lebanese currency has lost 80% of its value, inflation and unemployment are soaring and much of the population has been plunged into poverty.

This article studies the historical dynamics that led to the political and economic crisis in Lebanon. It focusses on the social, political, and economic components (along with their interplay) to explain the reinforcing mechanisms that have cemented a sectarian system, eroded state institutions and intensified economic inequalities. We argue that the political and economic deadlock in Lebanon today has been the result of a long history of warlord politics and economic clientelism. Corruption, nepotism, negligence and clientelism under the guise of sectarianism have been the defining features of both the functioning and failure of Lebanon's consociationalism. As the Lebanese civil war (1975-1990) came to an end after over 15 years of a bitter conflict, the cartels of the war generated a war economy that functions to benefit a select elite according to sectarian quotas.

In the next section, we illustrate the Lebanese conflict before and after the civil war. This article then closely analyses the Lebanese corporate consociational system,[3] followed by a study of the economic implications and the causes of the current economic and political crisis. The last section concludes, provides some policy

[1] Qiblawi (2020).
[2] BBC (2020).
[3] The consociational system in Lebanon assigns equal presentation to Muslims and Christians in parliament and a proportional representation to their religious denominations. Details will be discussed in the "Lebanon's Sectarian Model and Warlord Politics" section.

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recommendations, and demonstrates the limits of these policies.

The economic and political crises of Lebanon provide an example of show how warlord politics, and a corporate consociational system, have misguided incentives and policies that consolidate a rentier economy and inevitably lead to conflict and crisis. There are alleviating policy options for Lebanon, but the chances of implementing them seem small.

A History of Conflict

"There is perhaps no other country where so much human complexity is loaded into such a small space," noted Harris (2009) when describing Lebanon. "[A] cockpit of turmoil and a focus of controversy," Lebanon "has more demographic diversity, complex internal politics, and crises proportionately than any other country in the world".[4] It is home to over 6.8 million people, has 18 recognized religious communities, and a long and complex history of conflict.[5] The distinct and complex composition of Lebanon as a small country composed of many religious and sectarian communities led to the emergence of conflict early on in Lebanon's modern history over its own identity, political and economic structures, and its expected role in the Arab region.[6] Yet, the emergence and institutionalization of sectarianism in Lebanon needs to be understood within its historical context.

While the Lebanese state in its current form dates back to the French mandate of 1920 and the declaration of the formation of the State of Greater Lebanon, sectarian strife and clashes preceded it. Under Ottoman rule, the period between 1840 and 1860 witnessed an escalation of tension between the two prominent religious groups in Lebanon (the Druze and Maronite) that in 1860 culminated in violent clashes resulting in the destruction of at least two hundred villages.[7]

Scholars commonly agree that the events of 1860 in Mount Lebanon represent the origins of sectarianism in Lebanon.[8] The 1861 *Reglement Organique of the mutasarifiya* of Mount Lebanon (1861-1914), "[which came] to end the strife, institutionalized a more intricate form of sectarian representation".[9] The two turning points in Lebanon's post-independence history that largely contributed to the deep integration of the sectarian system in the public and private spheres in Lebanon are: the 1943 National Pact and the 1989 Ta'if Accord.[10]

In 1943, Lebanon gained its formal political independence from international mandate and with that, the National Pact was agreed. The National Pact has been an unwritten power-sharing agreement between Lebanon's Muslim and Christian communities that "came to symbolize post-independence confessional politics, thereby crowning the process of change that occurred during the mandate both within Lebanon and in its regional order".[11] By and large, the National Pact has been the subject of controversy, being both deplored and praised with the ebb and flow of Lebanon's tenuous politics. While some view it as a symbol of "national integration and confessional unity", others perceive it as the embodiment of a "philosophy of confessional coexistence" or "a capitalist confessional deal" that mainly benefits some segments at the expense of others.[12]

Yet, while the country embarked on a process of decolonization in the following years, sectarian and religious tensions remained unresolved. In the years leading to the 1975 civil war, political developments in the region, from the formation of the United Arab Republic between Egypt and Syria to the 1958 US invasion of Lebanon (at the request of then Maronite President, Camille Chamoun) to curb a Muslim rebellion, have further contributed to the

[4] Rubin ed. (2009, p. 1).
[5] People: World Bank (2019a). Communities: El Rajji (2014).
[6] Khalaf (2004); Traboulsi (2012).
[7] Mallo (2019, p. 2).
[8] El Richani (2017, p. 23); Makdisi (2000, p.118).
[9] Salloukh et al. (2015, p.13).
[10] El Richani (2017, p. 24); Salloukh et al. (2015, p. 2).
[11] El-Khazen, (1991, p. 3).
[12] ibid.

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deteriorating sectarian relations in Lebanon. [13]

Badran (2009, p. 35) describes Lebanon's civil war as "one of the most complex, multifaceted wars of modern times due to its hybrid nature, multiple participants (both state and non-state actors), and its impact on regional and even global balances of power". The reason for its complexity is the many internal, regional, and international players and factors that have fueled the conflict and the multi-dimensional dynamics that prompted the fighting to continue for over 15 long years. This resulted in an estimated physical damage of $25 billion and over 140,000 deaths and the destruction of about 175 towns.[14] It also brought existing sectarian rifts to the surface, which resulted in prolonged violent and bloody confrontations between the different militia factions. Meanwhile, Syrian troops invaded Lebanon in 1976 and remained in the country until 2005, following the assassination of Prime Minister Rafic Hariri. Israeli forces invaded the south of Lebanon in 1978, and again in 1982, with the purpose of attacking and expelling Palestinian guerrilla fighters and the PLO. Slowly "the country suffered a de facto partition into separate zones of control".[15] The Israeli invasion, which prompted the deployment of UN peacekeeping troops until Israel's complete withdrawal in May of 2000,[16] also contributed to the emergence of the Shi'ite militant group, Hezbollah. Today, Hezbollah, which billed itself as a resistance movement during the Lebanese civil war, has significant power, presence, and authority in Lebanon and operates both as a Shi'ite political party and militant group.[17] The Taif Agreement came to end the conflict after nearly 15 years of brutal fighting. Although the agreement explicitly recognized the abolition of political sectarianism as "a fundamental national objective",[18] it did not set a timeframe for achieving this goal. Today, sectarianism remains at the very core of Lebanon's political and economic structures.[19]

Lebanon's Sectarian Model and Warlord Politics

Since the 1943 National Pact, and again with the 1989 Taif Accord, Lebanon's power sharing regime has been a corporate consociational system.[20] With the National Pact, consociationalism has designated the presidency to a Christian Maronite, the premiership to a Muslim Sunni, and speakership to a Muslim Shia, and set an informal agreement to fix the ratio of seats in the parliament at six Christians for every five Muslims. The Taif Accord constitutionalized several informal agreements, instated an equal presentation of Muslims and Christians, and established proportional representation among the different religious denominations. It further dictated decision by consensus in the parliamentary cabinet and introduced a two-third majority requirement for "basic issues".[21] It also shifted the executive power from the president to the prime minister.

This de facto mutual veto power in parliament and the post-war memory of the potentially destructive results of political competition should have created a strong desire for political cooperation and the formation of more inclusive coalitions among elites, as suggested by Lijphart (1969). However, Lebanon's consociationalism engendered the concentration of political and economic power among a few Lebanese families. Thus, the institutional system failed to align elite preferences with the public interest, nor did it align sectarian interests with national interests. It spawned adverse incentives that encouraged the concentration and consolidation of political power within a few elites while

[13] Mallo (2019, pp. 7-8).
[14] Ghosn (2011, p. 382).
[15] Rubin (2009, p. 3).
[16] Peacedirect (n.d.)
[17] Robinson (2020). While the Ta'if Agreement called for the effective disarmament of all national and non-national militia groups in Lebanon, Hezbollah was the only party excluded from the widespread disarmament, as it was engaged with fighting Israel in order to regain control of the south of Lebanon. Today, it remains "the only Lebanese sectarian party that kept its military power post-civil-war" (Yassine, 2020).
[18] Taif Agreement, (1989).
[19] Yassine (2020).
[20] Kerr and Hamdan (2013).
[21] Boogards (2019).

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enabling them to extract public resources for their own gain, to the detriment of state institutions and Lebanese citizens. At its heart lies a plurality, or first-past-the-post electoral list-based system, that drastically weakens contestants without sectarian affiliation and solidifies the power of incumbent elites through vote trading across sectarian lines. These elites act in self-managed communities and exploit the sectarian quota within the state administration to both assign public offices and resources to dedicated and loyal associates and family members, and to abuse it as a token of power in negotiations to extend political influence.[22]

Such corporate consociational systems, which encourage a perspective that fundamentally impacts on the political decisions made by elites in positions of power, has been heavily criticized in the literature.[23] At its core, it is defined by a perception of citizens not as individuals with inalienable political, economic, and social rights, but as members of an inegalitarian system of sectarian communities. Indeed, a sectarianized welfare system (in the form of state funded sectarian NGOs, private institutions, communal associations, and religious charities) and sectarian courts as the rulers over personal status laws, reinforce the perception of citizens as sectarian subjects. Consequently, attempts to secularize personal status laws in Lebanon, through establishing optional civil personal status laws or allowing civil marriage, have been seen as a threat to existing political power relations and structures, and thus have been either abandoned or heavily restricted in practice.[24] While such secularization and liberalization measures would have benefited the public, they would also have separated the public from the private spheres and weakened the sectarian system.

Consolidating sectarian social relations and maintaining a need to remain within the boundaries of their sect ensured that subjects remained under the control of sectarian elites and reinforced sectarian identities and clientelist dependency. It further helped to intertwine kin-driven alliances, political authority, and economic control. For example, in the aftermath of the Lebanese civil war, substantial public funds were channeled to the Council for Development and Reconstruction. The Council allocated public contracts to companies controlled by Rafiq Hariri, such as Solidere, Sukleen and Geneco, who conveniently appointed former employees and associates to the Council.[25] At the same time, the establishment of political parties as political blocks, thereby compounding parties and kin relations, concentrated the economic and political power within a few Lebanese families. Succession of political leadership by next of kin has occurred frequently in modern Lebanese history. For example, Saad Hariri succeeded his father as the leader of the Future Movement Party after the assassination of his father in 2005. Similarly, Walid Jumblatt took over as leader of the Progressive Socialist Party upon his father's assassination in 1977. Familial succession in political parties that control governmental positions has led to a system of nepotism and idiomatic kinship.[26]

Inept state institutions, weak social and political security, and the lack of trust in and loyalty towards state organs precipitated the dependence on sectarian and family support while negatively affecting the functioning of the state. Consociationalism in Lebanon has thereby spawned a self-reinforcing system that diverts loyalties away from state institutions towards sectarian communities and, in particular, their political and sectarian leader. This has created what Suad Joseph called "kin moralities".[27] It consolidates both elite power and sectarian divides, thereby further weakening state authority and any attempts at secularization. It also instigates sectarian groups to wrestle over corporatized power and alter allegiances based on regional power shifts instead of domestic interests.[28]

[22] Salamey (2009).
[23] See e.g., Jabbra and Jabbra, (2001); Salamey (2009); McCulloch, (2012).
[24] See also Chapter 3, Salloukh et al. (2015) for more details.
[25] Leenders (2003); Vloeberghs (2015, pp. 55-6).
[26] See also Joseph (2011) for more details.
[27] Joseph (1997); Joseph (2000); Joseph (2011).
[28] Salamey (2009).

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Maintaining this self-reinforcing mechanism is critical in perpetuating Lebanon's post-civil war consociationalism. The perceived gains and added social security offered by sects need to outweigh the cost of operating within the limits of sectarian affiliation and of partaking in an exploitative sectarian client patron relationship. Active policies against a growing middle class and secular neighborhoods encourages spatial stratification and confessional resentment by pitting well-to-do Maronite Christians against indigent Shia Muslims in Beirut.[29] Migration and demographic changes have also tilted sectarian demographics further away from a proportional allotment of national offices and, at the same time, the list-based electoral system has entangled the struggle for political control with demographic and territorial control. This has led to further dissatisfaction among the population. In addition, recent years have not only seen an evolving secular youth tired of policies guided by sectarian interests and personal gains, but a vanishing middle class and an increase in regional disparities and poverty rates.[30] This contributes to increasing dissatisfaction with sectarian elites, but also dependence on their support.

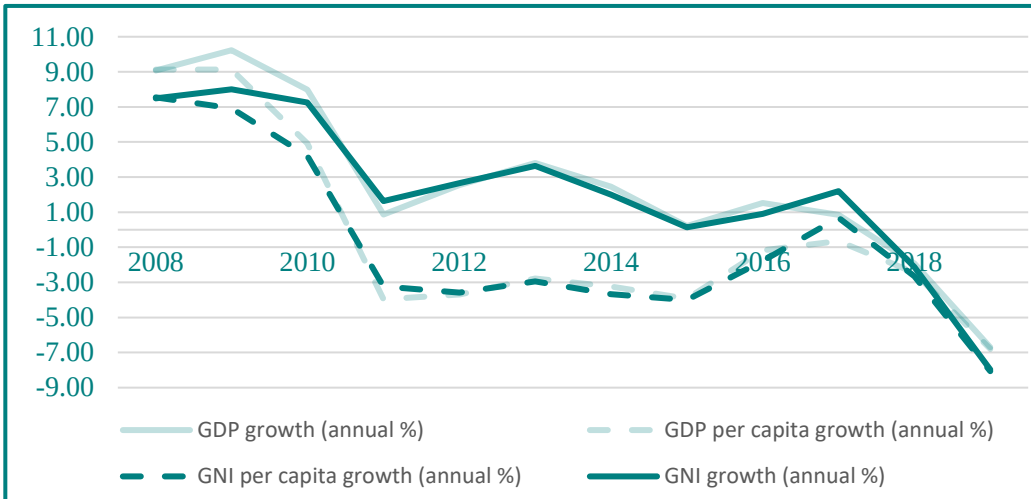

Figure 1: Annual per Capital and Total GDP Growth Rates in Lebanon (2008–2019). *Source*: World Development Indicators (2020).

Economic Clientelism and Inefficiency

Existing data on Lebanon shows significant discrepancies and inequalities in income and wealth distribution. In fact, today, the evidence suggests that Lebanon remains one of the most unequal countries in the world.[31] World Bank data for 2011 shows that the top 10 percent receive about a quarter of the total population income and the top 20 percent hold 40 percent, leading to a Gini coefficient of 31.80.[32] A 2017 report by the UNDP estimated a Gini coefficient of 50.7 or 45.3 (depending on the calculation), indicating an increasingly unequal income distribution.[33] A low personal income tax return as a share of GDP of 0.8% has kept the Gini coefficient at 48.5 for 2017 after tax redistribution. While this low-income tax collection may be partially caused by tax evasion and a large informal sector (encouraged by a distrust in state authority and institutions), it may also be caused by the high degree of tax exemptions provided by sectarian-driven policies.

GDP and GNI have significantly declined since 2010 and the per capital growth rates have been negative since 2011, with a minor exception in 2017 (see Figure 1).[34] This negative growth was accompanied by continuous

[29] Salamey (2009).
[30] Middle class: Hamd (2019). Regional: El-Laithy et al. (2008).
[31] Assouad (2017).
[32] World Development Indicators (2020).
[33] Saliba et al. (2017)
[34] World Development Indicators (2020).

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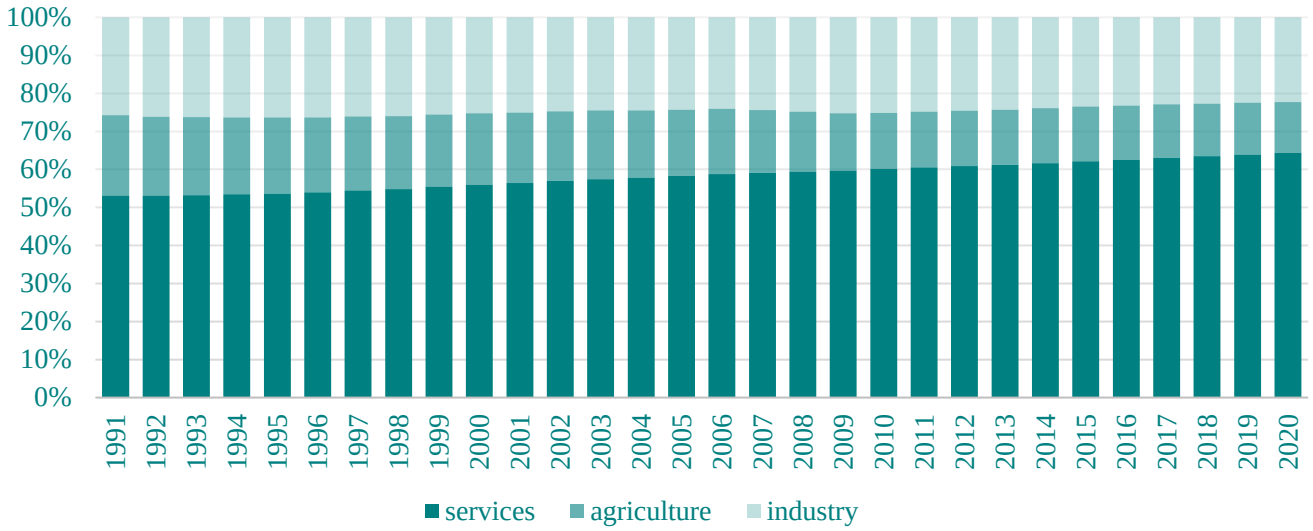

Figure 2: Employment per sector in percent of total employment.
Source: World Development Indicators (2020).

increases in household consumption expenditure and a negative gross domestic saving.[35] In addition, the ties between the political elite and private companies further imposed hidden costs on the Lebanese population. The inability of the authorities to provide a consistent supply of electrical power and clean water opened additional opportunities for extortion. Regular blackouts created a dependence on diesel generators and a generator mafia that curtails competition and dictates prices, not only for the use of the generators but also for spare parts. Additionally, homeowners have to choose between paying private suppliers for clean water and storing it in tanks or relying on local wells that are frequently filled with salt and wastewater. The inadequacy of government policies and the "inefficiency by design" of state institutions culminated in the garbage crisis of 2015 which led to the "You Stink!" protests that continued throughout 2016.[36] While these protests attracted a substantial following and led to the foundation of the Beirut Madinati movement,[37] it failed to affect the incumbent elites around Saad Hariri and has had no lasting impact on the political system.[38]

This situation has been made worse by Lebanon's strong historical dependence on the service sector and its lack of an agricultural and industry sector. Figure 2 shows that the service sector employs roughly two thirds of Lebanon's workforce (mainly in commerce, tourism and finance). Its contributions to GDP has been stable at around 70 percent for a period of roughly 20 years but increased since 2016 to reach a height of 79 percent in 2019 (World Development Indicators 2020). The share of goods-producing sectors – agriculture, industry and construction – in GDP has consistently remained under 35%.[39]

After 1990, Lebanon's banking sector managed to sustain a high level of stability and resilience, despite severe economic shocks and countless violent conflicts, turning the sector into the backbone of the Lebanese economy.[40] The banking sector "ensured 60% of the public sector financing needs, 30% of tax revenues, 50% of foreign trade

[35] World Development Indicators (2020).
[36] Kraidy (2016).
[37] Beirut Madinati (Beirut, My City) was founded by a group of academics and activists in autumn 2015 and originated from Lebanon's earlier waste management movement.
[38] Kraidy (2016).
[39] Raphaeli (2009, p. 112).
[40] Conflicts: Raphaeli (2009, p. 109). Backbone: Bank Audi (2020, p. 11).

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financing, in addition to dynamic private sector financing with loads to GDP exceeding the threshold of 100%".[41] This high dependency on the financial sector not only caused economic distortion and gradually rendered Lebanon's economic sustainability dependent on the financial markets, but also became the main assurance of continued political stability.

In 1997, Lebanon fixed the exchange of the Lebanese lira (also known as the Lebanese pound) to the US dollar at a rate of 1,507.5:1. The dollar peg ensured price stability and, at the same time, inflated purchasing power across all social strata. It rendered imports cheaper and indirectly subsidized the prices not only of food and oil, but also of luxury goods and cars. This seemed like a win-win solution for both the elites and the average Lebanese citizen. Pegging the dollar then became a requirement for public trust, not only in the economic system, but also in the corporate consociational system. Consequently, the peg turned into a social and political necessity. It has become a political signal for the elites to "prove" the economic strength and stability of the country. On the other hand, the fixed exchange rate, especially with the appreciation of the US dollar from 2011, rendered exports more expensive. This curtailed the competitiveness of Lebanon's agricultural and manufacturing sectors and cemented the economic dependency on services and imports. Additionally, fixing the exchange rate required significant foreign exchange reserves.

Lacking industry and an agricultural sector, the country has become highly dependent on external funds and remittances. Remittances increased significantly after 2003 and constituted roughly one quarter of Lebanon's GDP, decreasing continuously after 2008 and falling to less than a sixth after 2012.[42] In addition, the collapse of the oil price in 2014 further curtailed remittances coming from the diaspora living in oil-producing countries. The absolute value of remittances in current US dollars has been stagnating at around 7 billion since 2017. Thus, while Lebanon seemingly survived the Great Recession, the economic stimulus has largely been financed by external debt. Since 2009, it has been fluctuating at around 140 percent of GNI, with the total debt service payments approximately 30 percent. The country could only service the interests of its high debt rate and fix the exchange rate of the Lebanese lira against the US Dollar by borrowing either externally or from commercial banks at interest rates above the market rate. Such debt financed debt service added risk to commercial banks and the financial system. At the same time, the dollar appreciated from 2011 and demand for the currency increased. To cover the gap and continue the dollar peg, Lebanon issued dollar-denominated Eurobonds.[43] In addition, commercial banks offered depositors interest rates above 7 percent, translating into an average real interest rate of 4.7 percent for the period between 2007 and 2019. A rate that is significantly above regional interest rates and the US, e.g. 0.4 percent in Egypt, 2.1 percent in Israel, 3.7 percent in Jordan, 3.9 percent in Algeria, and 2.4 in the US.[44] The high interest rate was used to encourage expatriate Lebanese to deposit foreign currency in domestic banks. Meanwhile, commercial banks converted deposits into local currency and passed on US dollars to Banque du Liban which was in desperate need of foreign reserves to peg the Lebanese lira to the US dollar at a rate of 1,507.5. Thus, the lack of inflow of foreign funds required the Banque du Liban to undertake financial engineering operations from 2016 which led to losses of 40 billion US dollars.[45]

The expansion of the service sector, the constant need for foreign currency, and the dependence on imports generated an unstable economic system that was crucially reliant on trust and political stability. Saad al-Hariri's resignation in late 2017 led to a temporary outflow of funds. The situation raised initial concerns about the sustainability of the financial system and the liquidity of commercial banks, as the latter started offering customers higher interest rates to entice clients to deposit more funds. In late 2019, confidence in the financial market collapsed

[41] Bank Audi (2020, p. 11).
[42] World Development Indicators (2020).
[43] Ministry of Finance (2020).
[44] World Development Indicators (2020).
[45] Khraiche (2000).

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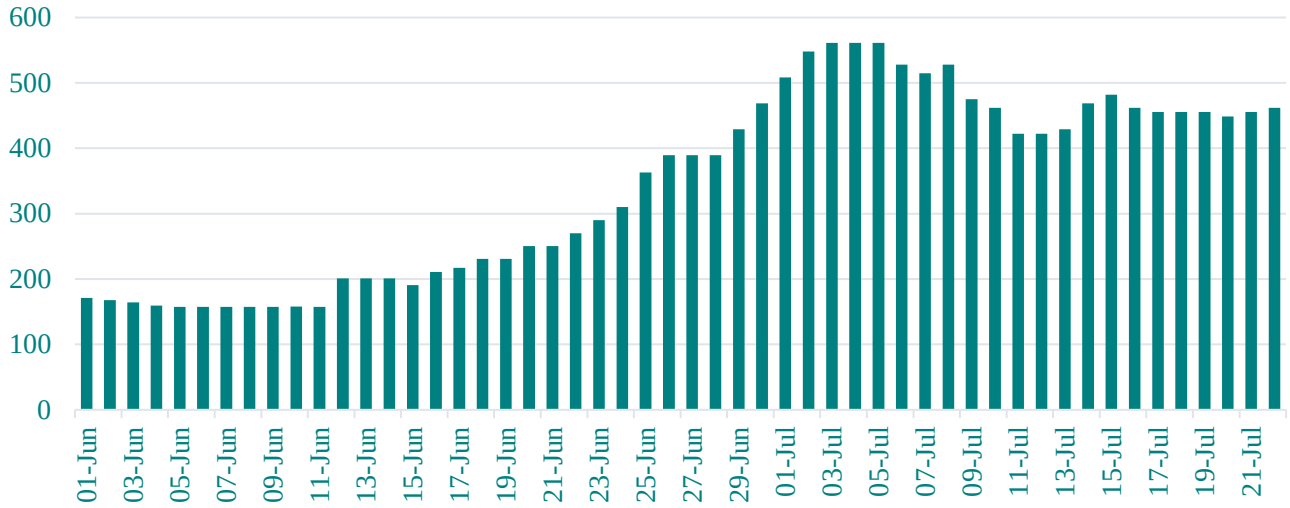

Figure 3: Implied inflation rates in 2020 (% annualised) .
Source: Hanke (2020).

as nationwide protests against corruption led to the resignation of Hariri's cabinet. Commercial banks closed for two weeks; upon reopening, they introduced monthly withdrawal limits of around 1,000 US dollars. These limitations could not avoid capital flight and bank runs, but further weakened trust in both the political and economic stability of the country. While official data is unavailable, a first "silent" bank run, before the bank closure, was probably instigated by elites who transferred their dollar deposits abroad in fear of capital controls after the US threatened commercial banks with sanctions in August 2019. This was after the commercial banks had been involved in Hezbollah's global money laundering.[46]

Since then, the banks have further tightened restrictions on foreign currency withdrawals to enforce the use and reliance on the local currency. In April 2020, the wire transfer rate increased from 1,507.5 to 3,625 Lebanese lira per US dollar and the Central Bank limited withdrawals from US dollar bank accounts to Lebanese lira. However, Lebanese firms, companies and commercial venues have remained critically dependent on imports and thus foreign currency. The "lirafication" enforced by foreign currency restrictions created a high excess demand for US dollars and a black-market exchange rate far below the official rate, while the ensuing dollar liquidity crunch rendered a fixed exchange rate increasingly impossible. As the black-market exchange rate soared to 8,000 Lebanese lira per US dollar by mid-2020, businesses have been passing on the additional costs to customers, leading to a significant rise in consumer prices. Meanwhile, the government defaulted on a Eurobond payment worth 1.2 billion US dollars in March 2020 and payments due in April and June worth 1.3 billion US dollars.[47] The increasing political uncertainty, the ensuing lack of confidence in the government's ability to improve the country's future economic prospects and to stabilize a local currency, has eroded trust in the domestic currency. This has led to dollarization and hence an increased demand for US dollars. As excess demand pushed up the black market exchange rate exchange, trust in the lira further diminished, leading to a spiral of hyperinflation since June 2020 (see Figure 3).

The ensuing recession and political instability imposed significant challenges for the Lebanese government in relation to implementing adequate measures to combat the coronavirus pandemic. The explosion in Beirut in early

[46] Rickards (2020).
[47] Cornish and Stubbington (2020); Agence France-Presse (2020)

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August 2020 further eroded trust in the government, while the loss of purchasing power made it impossible for many of the affected inhabitants to repair the damage. This is likely to further erode the trust in the corporate consociational system and the value of the Lebanese lira. The Lebanese government is only able to stabilize the market rate of the Lebanese lira to the US dollar (12,400 Lebanese lira per US dollar)[48] through subsidizing key food and essential imports with a dwindling amount of foreign reserves. At the same time, the government sells foreign relief and goods from humanitarian aid for dollars, thus further depriving the poorest of much needed support.[49]

While the government is seeking to maintain political credibility and control by adhering to the fixed dollar-lira exchange rate at 1,507.5, the peg is becoming increasingly unsustainable as foreign reserves deplete. The unavoidable devaluation will weaken purchasing power and impoverish those with lira-denominated bank accounts. Additionally, most of Lebanon's debt is denominated in foreign currency (mostly US dollar), but Banque du Liban's assets are denominated in Lebanese lira. It is therefore unclear whether the central bank has sufficient assets to service its debt obligations. Those Lebanese with dollar accounts face an inevitable haircut after the behind-the-scenes lira conversion by commercial banks. Abandoning the peg is not only likely to ruin the government's economic and political credibility, it is also likely to significantly contract wealth across all strata of society. Meanwhile, the shortage of reserves will render subsidies of food and essential imports increasingly infeasible. In addition, Electricité du Liban (EDL) remains highly dependent on government subsidies in excess of $1 billion per year.[50] The government's lack of liquidity will potentially cause an electricity crisis once temperatures rise that, in turn, will presumably boost demand for private generators and drive electricity prices. The government's plan to corporatize EDL is, given the lack of a functioning political and economic system, unlikely to solve the problem. In turn, these dynamics will likely further undermine the perceived gains and stability of Lebanon's corporate consociational system.

Conclusion

Since the second half of the 19th century, Lebanon's institutional framework has been sectarian. The complex interplay of external and domestic interests, both of state and non-state actors, engendered and maintained sectarian institutions. Political, social, and economic conditions formed self-reinforcing mechanisms that solidified sectarianism, disintegrated national cohesion, and promoted religious tensions by pitting sects against each other; culminating in a civil war that lasted fifteen years.

With the end of the civil war, corporate consociationalism appeared to be the means of ensuring sustainable peace between sects, but it distorted incentives, eroded state institutions, and consolidated the sectarian regime. Sectarian elites abused consociationalism to foster their own political agenda and to enrich themselves financially. The power-sharing regime was sustainable as long as Lebanese across all social strata prospered, so GDP growth and an overvalued currency were critical to ensuring political and social stability. Under the pressure of the recent global economic crisis and the coronavirus pandemic, high growth rates and a hard currency are no longer feasible.

Lebanon is facing two major challenges. First, economic policy making remains strongly dependent on elite interests; consequently, economic reforms cannot be enacted without political reforms. Second, the current economic uncertainty is detrimental to investment and external support. So far, Diab's government has been unwilling to implement any reforms, and while the government did eventually decide to engage in IMF negotiations in May 2020, the lack of any fundamental changes to the Lebanese corporate consociational system renders external financial support unlikely. Lebanon's debt obligations are not only external but internal. In the absence of any reform, either a

[48] Based on the latest figures in Taha (2021).
[49] Information based on informal consultations conducted by the authors in Beirut, Lebanon (2 January 2021).
[50] World Bank (2019b); World Bank (2020).

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complete lirafication of all assets or a financial haircut will be inevitable. Both would significantly diminish the life savings of those who lack any other form of old-age insurance. Seeing their life savings eroded by the end of the dollar peg, Lebanese citizens would be unlikely to support the corporate consociational system. However, it is unclear whether they would blame the current political elite or would direct hostility towards other sects leading to the potential eruption of violence and civil strife.

An official dollarization should reinstate price stability, thus reducing the risk of holding money, and could potentially restore, at least partially, economic faith. With many shops only accepting dollars, the country is already on its way to unofficially implementing dollarization. Dollarisation would, however, still entail a tremendous loss in purchasing power, since the Banque de Liban will not be able to settle its liabilities leaving commercial banks with insufficient dollar liquidity. Exchange rates close to the current black-market rate would need to be implemented for all accounts, independent of their denomination. Additionally, the central bank would lose any control over monetary policymaking while the actual causes of the economic and political crisis would remain unaddressed. Similarly, the establishment of a currency board and a fixed peg would not address systemic issues. Both approaches would be unsuitable to address the risk of growing conflict and the potential of another civil war.

Future policies will need to address the core of these fundamental problems. The Lebanese model of consociationalism is untenable, but a technocratic government that acts outside of sectarian boundaries could address Lebanon's fundamental issues. It would need to reform the electoral system by prohibiting vote trading and ensuring equal chances for contestants without sectarian affiliation. The Beirut Madinati movement has shown that Lebanese citizens are willing to abandon the equal presentation of sects in favor of more efficient and less clientelist governmental institutions. While abandoning equal representations is not without risk of stirring sectarian resentments, a retention of the current system poses a much greater risk. Additionally, the government would need to regulate exploitative utility providers of energy and water and heavily invest in public utility infrastructure to ensure fresh water and reliable electricity supply. These investments would not only support confidence in the new government but also provide employment and support economic growth. Expansionary fiscal policy will, however, require funds from foreign donors and investors who would only be willing to support Lebanon if reforms are credible. Unfortunately, it is unlikely that the sectarian elites would be willing to relinquish power to a technocratic government and would potentially either block the government entirely or manipulate its decisions behind the scenes. In the end, it is unclear whether any feasible policies could be instated to prevent such sectarian influence, given the deeply-rooted political control of major Lebanese families.

An overvalued lira allowed the Lebanese to live beyond their means and neither a continued exchange rate at 1,507.5:1 nor a peg is conceivable. Issuing a new and floating currency that is initially issued at an exchange rate between the official and the black-market rate could bring the purchasing power closer to its real value and would mitigate losses. It would also send a public signal of a break at the systemic level and could bolster the credibility of the political reforms. A new currency would further ensure control over monetary policymaking and not tie the hands of a new government. Such policymaking would need to be transparent and occur in agreement with external donors. Furthermore, the financial sector would need tight regulations, but again it is unclear how political actors, such as Hezbollah, would react towards capital controls.

While there are policy options that might provide a way out of Lebanon's crisis, the chances of implementing them seem small. The deeply ingrained sectarianism in state institutions and the concentration of economic and political power in the hands of the elite may ultimately render the implementation of such reforms impossible. This will probably make a resurgence of violent clashes unavoidable.

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Restructuring state power in Sudan

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Abstract

Developing post-conflict economic policies in Sudan remains a significant challenge for the Sudanese transitional government and the international community. This article argues that understanding the conflict, its costs and the progress made during the current peace agreement are essential for advancing policy reforms in Sudan. The Sudanese transitional government has attempted to implement reforms, but little progress has been made because the civilian elements operate outside of the existing state power. The previous regimes policies sustained conflict(s) through both passive and active enablement of the Sudanese security forces, which means that the restructuring of state power is essential to place Sudan on the right course towards sustained democracy. This article posits that addressing structural reforms in Sudan means establishing control over the economy, defense, and security sectors.

Developing post-conflict economic policies in Sudan remains a significant challenge to the international community. The failures of the World Bank and International Monetary Fund's generic structural adjustment programs in post-conflict situations have led to the recognition of the complexity of the processes involved. As such, it has become clear that developing successful post-conflict policies requires a better understanding of the nature and uniqueness of each conflict, including their context and root causes.[1] Research about conflicts that have ended since 1989 has also shown that peace accords supported by the United Nations, and generous development assistance, produce better outcomes than military victories alone.[2] Case studies of individual conflicts, therefore, make an important contribution to the existing literature.

This article considers the protracted conflict in Sudan, which offers both an interesting and timely exploration of a country emerging out of years of bitter conflict. Sudan has signed two peace agreements with Darfur: the Darfur Peace Agreement (DPA) in 2006 and the Doha Peace Agreement in 2011. More recently, in 2020, the Juba Peace Agreement (JPA) was signed in Juba (South Sudan) between the Sudan Revolutionary Front (SRF)—an alliance of nine political and armed groups from Darfur, South Kordofan, Blue Nile, and East and North Sudan. The agreement was primarily reached because of the desire of the northern elites (based in Khartoum) to redeem themselves from the atrocities and crimes committed under successive governments since independence.

The article is organized into three main sections. First, it explores the economic cost of the protracted conflicts in Sudan with a focus on the evolution of peace agreements in Darfur, Kordofan, and Blue Nile. Second, it explores how the previous regime under Omar al-Bashir restructured state power and helped to sustain many of Sudan's conflicts but also crippled the Sudanese economy. Third, it briefly looks at how some security forces are still plundering resources and how this pillage is crippling the transitional government's efforts to maintain peace, create

[1] Brauer and Dunne (2011).
[2] Brauer and Dunne (2012).

economic freedom, and meet the expectations of the Sudanese. Finally, it presents a few concluding thoughts on what is next for Sudan and how Sudan can restructure state power.

To understand Sudan's protracted conflicts and current problems, it is necessary to understand how the development of the nation-state was created off the back of power struggles that originated from differences among the major actors, and how the resulting restructuring of state power is deeply rooted and connected to the problems of modern-day Sudan. With a large degree of power and state resources under control of the security services, attaining peace requires the difficult task of introducing effective state administrative mechanisms and executive authority in order to deliver effective civilian oversight.

The cost of unresolved conflict

The Darfur region is comprised of five states: North, West, Central, East, and South Darfur; these cover about 510,888 km^2, an area the size of France and represented one-fifth of Sudan's surface area before South Sudan separated in 2011. The Sudanese Liberation Movement (SLM) rebels operating in this region had demanded a package of around USD 60 million from the government to provide modest support for local economic development and creation of employment opportunities in Darfur.[3] However, many of these modest demands were not met. In February 2003, the SLM attacked the military garrison in Darfur at the town of Golu in East Jebel Mara and then slowly emerged as a recognized fighting force against the government.[4] The rebels' political manifesto was not initially enunciated, with the central government and outside observers perceiving their agenda as a local protest against economic marginalization.

Attempts to end the conflict led to three negotiated agreements. The first, in April 2004, between the government of Sudan (GoS) and the Darfur rebel movements—the Sudan Liberation Movement/Army (SLM/A) and the Justice and Equality Movement (JEM). This N'Djamena Ceasefire Agreement was never fully implemented. The talks were co-mediated by Chad and the African Union (AU) in Abuja. At the Oslo Donor's Conference on Sudan in 2005, a total of USD 611.3 million was pledged for Multi-Donor Trust Funds (MDTF) between 2005 and 2007.[5] However, donor payments failed to meet the agreed amounts, with USD 149.6 million paid in 2005 and USD 132.2 million in 2006. In addition, concerns about rearming, corruption, and infighting between parties to the conflict discouraged donors from contributing to economic development projects.[6]

In July 2005, the second agreement saw the parties adopt the Declaration of Principles defining the core principles for the Darfur conflict settlement; the agreement was signed on 5 May 2006.[7] This was imposed by the mediators—the AU, the United States, and the European Union—with artificial deadlines and coercion of the negotiating parties. It was a flawed document that lost the support of civil society actors, caused defections amongst the rebels, and failed to win the endorsement of field commanders, resulting in its collapse. However, the Darfur Community Peace and Security Fund (DCPSF), established by donors at the end of 2007, sought to support community-level peace-building activities and foster social cohesion by drawing diverse communities together through processes of dialogue and consultation.[8]

Ali (2013) estimated the total cost of the civil war in Sudan from 2003 to 2009 as USD 41.5 billion. This comprised USD 10.1 billion in direct military expenses; USD 7.2 billion in lost productivity from civilians who became internally displaced persons (IDPs); USD 2.6 billion in foregone lifetime earnings of the dead; USD 4.1 billion in infrastructure damage; USD 6.5 billion in lost gross domestic product and military expenditure; and USD 10.9 billion

[3] Ali (2013; 2014).
[4] Ibid., 7.
[5] See Scanteam (2007).
[6] UNHCR (2019).
[7] Lanz (2008).
[8] UN-Habitat Sudan (2015).

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for the expenses for the African Union Mission (AUMIS), later converted into the United Nations-African Union Hybrid Operation in Darfur (UNAMAID).[9] Despite the increasing cost of the civil war, President Omar al-Bashir continually argued that the exploitation of oil revenues was essential to build a more robust military and fund helicopters along with other military supplies. The Sudanese government then used these procurements to launch aerial attacks on towns and villages and support militias fighting the proxy war in Darfur.[10]

The Doha Peace Agreement (DPA) was signed in 2011, following an initiative by the Qatar government, supported by the Arab League, African Union, and the United Nations. The government of Sudan and the JEM had a Goodwill Agreement in 2009 and signed the Framework Agreement on 23 February 2010. During the negotiations the mediators were concerned about the JEM's size and influence, and there was pressure to bring other marginal and splinter groups to the negotiating table. The JEM later split up and a new movement was formed known as the Liberation and Justice Movement (LJM). The LJM signed the framework agreement with the government of Sudan in March 2010, while the JEM withdrew from negotiations, leaving the LJM and government to sign the main agreement in July 2011.

This led to the formation of the Darfur Regional Authority to take on responsibility for peace and security, socio-economic development, stability, growth, justice, reconciliation, and healing.[11] The DPA was a generous agreement in terms of financial support, providing access to power across the state and other actors. To avoid the pitfalls of the 2006 accord, wealth and power-sharing were delineated in detail as a part of the agreement.[12] The DPA process was an internationally supported forum for negotiations between the government and rebel groups and continued as a recognized forum. It brought attention to regional and international efforts to resolve the conflict in Darfur. Nevertheless, the DPA created financial exploitation opportunities for both the government of Sudan and the rebels. At least five significant groups were competing for political power in the region: members of the ruling party who occupied some leadership positions (regional and nationwide); the first and second DPA and their signatories; rebel movements opposing the DPA; traditional political parties; and a myriad of civil society organizations (both pro-and anti-government).[13] All of these groups were acting to influence future governance in Darfur, some of them by force.

At the Darfur Donor Pledging Conference in Doha in 2013, USD 1.04 billion was pledged by the Gulf states and European countries for Darfur's early recovery and development. The fund targeted infrastructure development, which was intended to benefit agriculture, agro-industry, and social sectors (thereby addressing some of the conflict's root causes). Efficiency gains associated with all-season feeder roads, reliable power, and water supply systems were expected to play an incremental role in boosting agricultural production and productivity (along with developing other sectors). The effectiveness of the package was, however, reduced considerably by members of the regime commandeering resources.[14]

Ten rebel group leaders signed the JPA in 2020, which covered national and regional issues. Regarding national issues, the parties in the SRF and the government of Sudan agreed to govern the country and share power. They called for a new national contract through a national constitutional conference mechanism that would guarantee fundamental human rights, respect diversity, and create a government system with a developmental state.[15] For the first time, it was stipulated that states or regions had the right to keep a portion of the national wealth derived from extracted natural resources, which should go towards local development. The JPA also called for establishing a National

[9] Ibid., 9.
[10] Human Rights Watch (2003).
[11] DDPD (2011).
[12] For example, Article 100 of the agreement stated that "Wealth constitutes a vital element, whose generation and government institutions, policies and programs greatly influence distribution."
[13] Mohmed (2009).
[14] African Development Bank (2016).
[15] JDPAS (2020).

Commission of Resources and Financial Revenue Sharing and Allocation. A significant component of the agreement focused on Darfur, and representatives of rebel groups signed the accord. Six Darfurian rebel groups agreed with the JPA's embedded principles, which ensured that Darfur citizens could participate at all levels of government, state institutions, and civil service through equitable power and wealth sharing.[16] It stated that IDPs had the right to return to their places of origin with financial compensation and restitution.

South Kordofan province includes the Nuba mountains bordering South Sudan. The region is divided into five provinces: Kadugli, Dilling, Rashad, Abu Jibeha, and Talodi. It is home to an estimated population of one million, the vast majority of whom are either displaced or severely affected in multiple ways by the ongoing conflict.[17] South Kordofan and the Blue Nile served as the base for the Sudan People's Liberation Movement-North (SPLM-N). In 2005, the Intergovernmental Authority on Development (IGAD) sponsored the Comprehensive Peace Agreement (CPA) to settle the conflict between the government and the Sudan People's Liberation Movement/Army (SPLM/A). It included agreements for an interim period—from 2005 to 2011—on security, wealth sharing, power-sharing, and the status of the three regions of Abyei, South Kordofan, and the Blue Nile.[18] Conflict in South Kordofan and the Blue Nile erupted in 2011, following unresolved issues from the 1983–2005 civil war. From 2011–2016 there were eleven rounds of peace negotiations between the government and armed opposition groups, facilitated by the AU High-Level Implementation Panel (AUHIP).[19] By 2017, the Sudan People Liberation Movement-North (SPLM-N) had split into two factions, one led by commander Malik Aggar and the other by Abdelaziz al-Hilu, making any peace deal cumbersome. Abdelaziz al-Hilu endorsed the Nuba people's right to self-determination whereas al-Hilu's main rivals, Malik Aggar and former secretary-general Yassir Arman, did not. The Blue Nile and South Kordofan were both represented by SPLM-N. The JPA, signed on 3 October 2020, was signed by one faction, Malik Agar (SPLA-N Agar), while the other faction, led by Abdelaziz al-Hilu (SPLA-N al-Hilu), refused to sign.

The restructuring of state power

Many of the deepest insecurities in Sub-Saharan Africa derive not from state weakness but rather from militarized strategies and processes embedded into the state, using the foundations of previous colonial systems and methods to spread violence. Sudan's conflicts can be seen to have their roots in the colonization period.[20] Most Sudanese scholars agree that the north-south divide was fueled by the British, who favored social and economic investment in northern Sudan under the Southern policy implemented between 1920 and 1947.[21] The British system led to a further structural divide by northern elites, and the first Sudanese civil war, which ran from 1955 to 1972, was resolved under the Addis Ababa Agreement.[22]

Even though Sudan was one of the first African states to gain independence from its colonial rulers, the restructuring of state power before independence continues to undermine the post-colonial arrangements— despite regular shifts in state control between civilians and the military. The colonial regime in Sudan maintained its rule through a combination of brutal military repression and strategies of divide, "identity", co-opt, and rule.[23] Mamdani (1996) argues that the major impediments to democracy and democratization in Africa are located in the institutional legacy of colonial domination linked with indirect rule and the everyday running of the "Native Authority system".[24]

[16] Ibid.,16.
[17] Asylum Research Centre (2018).
[18] Wennmann (2008).
[19] Amnesty International (2016).
[20] Johnson (2011).
[21] Ali et al. (2005).
[22] Beswick (1991, p. 200).
[23] Mamdani (2009).
[24] Mamdani (1996, p. 192).

The colonial and independence eras also set up very different kinds of governance within urban and rural areas. The urban political economy was structured around developmental state institutions, which led to both middle and working-class political structures, whereas in rural areas—those further from urban professional connections and migration links—societies were governed in a more indirect, informal way. This hybrid system, according to Mamdani, created a "decentralized despotism" in rural areas that produced the separation of (rural) subjects and (urban) citizens.[25] This system of divide and rule helped to exacerbate tensions between the different regions. It widened disparities between, on the one hand, elites, and on the other, the less privileged sectors of society.[26]

The post-colonial era encouraged the exploitation of resources, which had become the source of warfare financing. The very existence of the regime(s) in Sudan became a warfare objective in itself.[27] The colonial system was mastered by the post-colonial regimes, who mirrored its tactics and techniques. Thus, divide-and-rule campaigns and exploitation of peripheral territorial control shaped the modern Sudanese state.[28] This laid the groundwork for a post-colonial class formation and the rise of the northern bourgeoisie, who dominated Sudanese politics and added a class dimension to the developmental state.[29] The Sudanese state's industrial and social policy arena created class identities, composed of teachers and economists with personal stakes in Sudan's development project and who had an ideological vision of economic development, national sovereignty, and independence. This led to Sudan being dominated by military rule, overthrown by a popular uprising, followed by a short period of democratic governance, quickly followed by a military coup again, and so on. Over 32 years, the Nimeiri regime (1969–1985), overthrown by a popular uprising or intifada, and the National Islamic Front regime (1989–2004) revived old colonial policies and arrangements that would help Omar al-Bashir restructure state power and transform modern Sudan into a state where northern elites used resources outside of Khartoum for their own benefit.[30]

Under Bashir, the discovery of oil and the revenues derived from it enabled the regime to dramatically increase military expenditure, expand and upgrade its military hardware, develop an arms industry, and use oil infrastructure to prosecute war.[31] Bashir restructured state power formally in two ways. First, through opportunistic use of Political Islam, which was advocated via foreign policy. This was a customized version, tied to the regime's geopolitical interests and used to exploit power between competing factions within the regime. Second, Bashir reformed the security sector, creating paramilitaries, providing them with uniforms and salaries, and bringing them under the command and control of the armed forces or the intelligence services under the president's office. These paramilitary forces were used as critical instruments of political power for those associated with the National Congress Party (NCP).

To further the restructuring of state power, Bashir and the regime dominated four critical components after the split of the NCP. First, the Sudanese Islamic Movement's religious ideology was an essential tool for regime stability, which was made up of competing power centers. The movement imposed its ideological stance through coercion, purges, and strategic placement of leaders in unique positions across Sudan's state institutions. Second, the National Intelligence and Security Service (NISS), which in its earlier years was dominated by Major General Salah Abdallah ('Gosh'), who would play a significant role in the overthrow of Bashir in April 2019. Gosh's role in the 2012 attempted coup is evidence of the cracks appearing within Bashir's regime at the time. NISS was refashioned as the General Intelligence Services (GIS) in July 2019. Third, the Sudanese Armed Forces (SAF), headed by Bashir and

[25] Johnson (2011).
[26] Khalid (1990, p. 54).
[27] Ali et al. (2005).
[28] El-Battahani (2006).
[29] Khalid (1990, pp. 72–73).
[30] Ibid., 72–73.
[31] See Human Rights Watch (2003); Sharkey (2004); Taylor (2009).

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utilized to initiate most of his restructured state power program. Fourth, the Rapid Support Forces (RSF), composed of elements of the Janjaweed, a tribal militia mainly recruited from Darfur. Their repeated attacks were orchestrated by Brigadier General Mohammed Hamdan Dagolo, referred to as 'Hemedti'.

Acquiescence to Bashir's initial purge of the SAF, civil servants, and other sectors of the state during the 1989 coup, alongside internal party relationships and allegiances, meant that Bashir was able to dominate the military . He was also in a position to create factionalism and rivalries within the senior leadership, helping to eradicate his enemies or anyone who posed a substantial threat. By restructuring state power, sections within the SAF were kept on their toes, creating a fluid and ever-changing picture within the military sector, and weakening the military in the long term. Lack of confidence in the SAF led the regime to consolidate and strengthen NISS's powers at the SAF's expense. Despite its expanding economic engagements, in the later years of Bashir's rule, the SAF no longer held a monopoly over the means of security, violence, and resources, casting doubt on its future role in the event of regime change. Bashir's approach eroded and partially destroyed the defense forces' institutional systems and any chance of a cohesive military doctrine being adopted.[32]

Bashir encouraged NISS's—now known as the General Intelligence Service— dominance to discourage a coup by the SAF. He later used the Janjaweed in the same way. In 2003, during the Darfur civil war, the Janjaweed used indiscriminate violence against civilians with impunity and had armed support from the Sudanese state.[33] However, the initial insurgency in Darfur was not only local but also reflected a breakdown of the accommodation of elites within the NCP networks.[34] The rebels in Darfur eventually received significant political and military support from the national (insurgent) opposition, the SPLA/M. Meanwhile, the Janjaweed attempted to evolve into a professional pro-government force called the Rapid Support Forces (RSF), led by Hemedti, as insurance against threats from NISS after their attempted coup in 2012.[35] NISS became a rival to the SAF, and an extension of Sudan's restructuring of state power, by emerging as an ostensibly "professional" power center. Due to this feeling of deep insecurity and the risk of coups by the SAF and NISS, Bashir brought in the RSF to stifle any coup attempts and future unrest.[36]

Across Sudan, Bashir drastically cut back on the state's health and education services and poured money into the security services. International pressure was mounting as the conflicts in the south (known as South Sudan from 2011) and Darfur grew, in part due to a humanitarian crisis and appeals from Hollywood superstars. Non-governmental organizations and international aid organizations were often disincentivized to support health and education,[37] while international debates on Sudan were centered on the "Responsibility to Protect" and the need to intervene to stop mass atrocities.[38]

Despite international efforts to curtail violence in Darfur, the security services continued to control many state services and resources.[39] Bashir allowed security segments to use these resources to finance their costs, expand their assets, and control state resources. NISS, SAF, and the RSF owned vast amounts of state resources. Both NISS and the RSF controlled companies that produced weapons, oil, gold, gum, wheat, telecommunications, banking services, water, banknotes,[40] and more.[41] Military forces managed hospitals, trading companies, and financial commerce assets, which under normal circumstances would sit under the state's control. Under Bashir's regime, paramilitaries were

[32] See Mirghani (2002, pp. 305–308); Jok (2007).
[33] Human Rights Watch (2004).
[34] Roessler (2011, p. 45).
[35] Sudan Tribune (2013).
[36] Roessler (2011).
[37] Human Rights Watch (2006).
[38] Williams and Bellamy (2005).
[39] LeRiche, M. (2019).
[40] Gallopin (2020).
[41] Ibid., 12.

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used to remove populations from oilfields and goldfields, and private elements were then able to drain off all profits.[42] Bashir's unique mix of authoritarianism, Islam and self-serving black-market economics shaped Sudan's template for restructuring state power and economic management.[43] As part of this, the SAF, NISS, the National Police, and the RSF created immense business empires exempt from government taxes and other levies, undercutting the private sector. Defense and security forces were encouraged to keep part of their revenues off-budget and feed the restructured power system.

Corruption under Bashir became state-sanctioned and created a parallel black economy. By the late 1990s and early 2000s, vast parts of the state had become a dysfunctional bureaucracy. As the system grew, so did the depth of control by companies run by senior governmental and military forces. Companies owned by state forces, with financing from state loans, acted as intermediaries to supply strategic commodities to Sudan, from Gulf countries such as Kuwait, Qatar, Saudi Arabia, and the UAE. The regime hid security and defense expenditures under the office of the presidency[44] and quasi-government agencies.[45] The November 2012 coup attempt in which Major-General Salah Abdullah Mohammed was arrested revealed divisions within the regime. It led to the entire regime being reshuffled in 2014, giving considerably more power to Bashir's military and security allies.

Resource extraction by security forces

After the 2011 secession of South Sudan, when Sudan's oil boom came to an end, the state faced a protracted financial crisis. Under pressure to honor its commitments to the peace agreement, the government gambled with multiple schemes to make up for the loss of oil revenues. It leased millions of acres of agricultural land [46] and gave investors from the Gulf access to the Nile, as a way to continue propping up the regime, but without great success.[47] In 2016, the Saudi government leased one million arable acres in the east of the country; indeed all Middle Eastern countries have seen the value of buying fertile land in Sudan to deal with their future food consumption and food insecurity problems.[48] The sale of agriculture land by Bashir's regime created a new boom, which the RSF reportedly wanted to experiment in by acquiring 200,000 acres of agricultural land in the North state.[49] Bashir's efforts went as far as engaging with Russia, which led to Russia's first naval outpost on the continent.[50] The situation in Sudan became so dire that, in 2018, the government started cutting wheat subsidies.

Gold also served as an important natural resource for Sudan with production increasing by 141 percent between 2012 and 2017 (making Sudan the thirteenth largest global gold producer).[51] While between 2012 and 2018 the Central Bank reported over 205 thousand kilograms of gold exports, the country's trading partners reported around 405 thousand kilograms of gold imports, leaving a considerable gap.[52] The significance of the gold industry has meant that security forces have ended up owning companies in the industry rather than them being state or privately run. For example, Al-Juneid, a private company founded by Hemedti, sold around 1 tonne of gold in Dubai, worth roughly

[42] Suliman (1993; 2008).
[43] Human Rights Watch (2003).
[44] For example, a recent investigation shows that Hemedti's purchasing power included over 900 Toyota Hilux and Land Cruisers, which the RSF frequently converts into 'technical'—4x4 military vehicles mounted with machine guns.
[45] Global Witness (2019).
[46] Sudan has roughly 200 million acres of arable land, is strategically located near the Red Sea, and has around a 25 percent share of the Nile's waters under regional agreements. With significant agriculture potential, Sudan is the world's largest gum Arabic producer, the fourth-largest exporter of peanuts, and the fifth-largest producer of sorghum.
[47] Schwartzstein, P. (2019).
[48] Ibid.
[49] Gallopin (2020).
[50] Goncharenko, R. (2020).
[51] World Gold Council (2020).
[52] Global Financial Integrity (2020). Al-Juneid—a private company founded by Hemedti—sold around one tonne of gold in Dubai, worth roughly USD 30m, during four weeks in 2018, a figure that suggests an annual turnover of USD 390m Gallopin (2020).

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USD 30 million, during four weeks in 2018—a figure that suggests an annual turnover of USD 390 million.[53] While the transitional government has recently taken steps to take back gold mines, Sudan's gold rush has expanded the national interest in gold extraction into the regions, and made it a profitable income for security forces.[54]

Despite the regime's control, a deepening economic crisis brought on by the Sudanese pound's sharp devaluation and hyperinflation led to protests spreading in 2018. The hyperinflation was partly a product of the considerable growth of black-market hard currency, the government's inability to control the economy, and the partial lifting of US sanctions in 2017. Poor resource management continues and is still resulting in wealth transfer to entities that have deprived the country of essential resources. State control over resource extraction remains an important part of rejuvenating the Sudanese economy.

Towards the end of Bashir's rule, Members of Parliament argued that Sudan's defense and security budget had got out of hand. In 2017, three-quarters of the state budget was allocated to security and defense instead of development and general services.[55] While the plea for reform and for sanctions to be lifted was welcomed by the regime, it made minimal efforts to modernize the state.[56] Instead, it allowed the existing state forces to continue their monopoly and fill the void once Bashir was ousted in 2019.

Since Bashir's removal,[57] the restructuring of state power has continued under Lieutenant General Abdel Fattah Abdelrahman al-Burhan and General Mohamed Hamdan Dagalo (also known as General Hemedti). Both serve on Sudan's new Sovereign Council, a power-sharing deal between the ruling Transitional Military Council (TMC) and the Forces for Freedom and Change (FFC) coalition. The council is comprised of five military personnel nominated by the TMC, five civilians nominated by the FFC, and one civilian candidate agreed upon between the two sides.[58] Al-Burhan, who is also the head of the SAF, has taken control of the Military Industry Corporation, a SAF holding company in charge of many of the companies once owned by NCP leaders and Bashir's associates. The RSF controls the businesses previously run by GIS (formerly NISS). Al-Burhan placed General Al-Mirghani Idris, a close associate from his military college days, as head of the Military Industry Corporation. General Abbas Abdelaziz, a former head of the RSF, is now in charge of al-Sati, another holding firm.[59]

Despite Sudan's constitutional declaration that places civilians partially in control of Sudan, the security forces would still seem to be calling the shots. The current civilian government has been unable to dismantle existing state structures, implement security sector reforms, or consolidate control over tax revenues. This means that the Ministry of Finance and Economic Planning has no control over companies run by the defense and security sectors. In June 2020, the government stated that 638 of 650 government-owned companies do not pay income taxes, including 200 belonging to the military sector.[60] Defense and security sector budgets have still not been scrutinized by the National Audit Chamber or the transitional government.

Although Sudan has a new transitional government, its control is limited, and parts of the state are still under the control of elements from the old system. It has made little progress when it comes to taking control of resources because the civilian component is operating outside of existing state power. Thus, they fail to meet expectations and address necessary structural reforms. State wealth continues to serve the interests of a relatively small per cent of

[53] Gallopin (2020).
[54] Sudan Tribune (2020b).
[55] Dabanga (2017a).
[56] Dabanga (2017b).
[57] Tchie, Y, E, A (2019a). '**How Sudan's protesters upped the ante and forced** al-Bashir **from power'. Available at:** https://theconversation.com/how-sudans-protesters-upped-the-ante-and-forced-al-bashir-from-power-115306. (Accessed: 25 October 2020).
[58] Tchie, Y, E, A (2019b). '**Sudan's deep state still poses a threat to the democratic process'. Available at:** https://theconversation.com/sudans-deep-state-still-poses-a-threat-to-the-democratic-process-130243 (Accessed: 08 October 2020).
[59] Gallopin (2020).
[60] Sudan Tribune (2020a).

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connected elites, all of whom have extracted economic benefits from the country's vast resources and continue to go to great lengths to protect the system in place. Sudan's Prime Minister Abdalla Hamdok has forcefully argued that the security forces' vast business holdings are "unacceptable";[61] however, the government is still constrained because it has yet to dismantle the regime's grip and put in place new democratic structures that will move Sudan forward.

Conclusion

This article has provided a case study analysis of the protracted conflict in Sudan. It has shown how the development of the nation-state of Sudan was created off the back of power struggles that originated from differences among the major actors, and how the resulting restructuring of state power is deeply rooted and connected to the problems of modern-day Sudan. It has also shown that political marginalization led to economic isolation, inequality, and grievances. Past grievances resulted in significant conflicts that damaged the economy and cost lives and, while Sudan has witnessed several peace agreements over the last four decades, problems remain. State wealth continues to serve the interests of a relatively small number of connected elites, all of whom have extracted economic benefits from the country's resources, at the expense of the Sudanese people, and who continue to go to great lengths to protect the system in place.

Effective civilian oversight is necessary to attain peace in Sudan. Such oversight can only be achieved when the state strengthens its administrative mechanisms and executive authority over the security services. This will require efficient oversight of the relations between the civilian government and intelligence agencies, characterized by stronger ties between oversight committees and intelligence leadership bodies. The government will then need to extend control from oversight to budgetary allocation, to ensure that the state's security forces are financed by the state and have no direct access to other financial resources.

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Humanitarian aid and war economies: The case of Yemen

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Abstract

Although humanitarian aid (HA) is desperately needed in Yemen to cope with the worst humanitarian crisis in the world, few studies have analyzed the effect of these grants. This article provides such an analysis using 34 interviews of NGO directors and staff members in Yemen. The interviews were conducted in an open format, to enable interviewees to express all their ideas on the HA situation in Yemen, not just ones that solely fit into the frame and questions of this study. Our empirical analysis indicates that the ability of local NGOs to use and deliver supplies to those suffering is severely constrained. This is mainly due to looting by conflicting factions, corruption, and the absence of the international deterrent that obliges the conflicting parties to preserve human rights. Furthermore, this study indicates that HA is being used as a weapon of war for power and financial gain, and thus is a contributing factor in the continuation of the conflict. This means it is important that international donors explore alternative solutions to effectively deliver and distribute HA in fragile states.

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA, 2020a) estimated that in 2020, some 167.6 million people around the world (around 1 in 45 people globally) would require humanitarian aid (HA) and the Armed Conflict Survey (2019) suggests that this is primarily because of the increasing number of people affected by conflict. This has been the case in Nigeria, South Sudan, Somalia, and Yemen, where the number of people suffering from famine reached 20 million between 2017 and 2018,[1] the highest figure since World War II. The international community primarily focused on providing humanitarian relief to "save lives, alleviate suffering and maintain human dignity", such efforts have grown significantly since World War II.[2] In 2019, $28.9 billion of HA was distributed around the world with countries experiencing conflict receiving the largest share, led by Syria and Yemen who received 42%.[3] Despite the high volume of HA donated, the number of vulnerable people around the world has risen. This has led to an increase in an existing funding gap from around $2.5 billion in 2009 to around $13 billion in 2019.[4] It has also led to much skepticism and cynicism internationally, as humanitarian organizations have often failed to achieve their goals or help endangered civilians and aid workers alike.[5] Humanitarian aid is argued to have become an accessible commodity, providing cash for factions in conflicts in fragile states and the creation of war economies, sometimes leading to the financing of the combat operations and front lines in conflicts.[6]

This article provides an investigation into the relationship between HA distribution and the survival of war

[1] Webb et al. (2018).
[2] OECD (2012:4).
[3] Global Initiatives (2019).
[4] OCHA (2020b).
[5] Findley (2018).
[6] Findley (2018); Martínez and Eng (2016); Narang (2015); Terry (2011).

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economies, an important factor in prolonging conflict, with a case study of Yemen. The current body of research is limited and often inconclusive, and there is currently no general consensus on the effectiveness of these HA distributions in conflict.[7] Given the amount of money donated to many conflicted countries like Yemen and the cost of conflict on lives around the country, the importance of understanding the extent to which HA influences conflict and the consequential impact on vulnerable recipients is recognized,[8] as is its role in enabling war economies to thrive in countries experiencing conflict.[9] Our analysis expands on the existing literature to offer empirical data regarding the role of local and international NGO-humanitarian organizations in prolonging the conflict and exploring the impact of HA on war economies in the context of Yemen. The next section considers the concepts, theories and critiques of HA in conflict. It discusses whether theoretically HA is able to have its desired effect in conflict environments. This is followed by an evaluation of the Yemeni war and its impact on HA. Third, after discussing the research methods, the findings of local NGOs are presented and discussed. Finally, a concluding section reflects on the contribution of the findings to existing theory.

Humanitarian aid is desperately needed in Yemen to cope with the worst humanitarian crisis in the world. However, empirical analysis indicates that the ability of local NGOs to use and deliver supplies to those suffering is severely constrained. Through looting and partisan distribution, humanitarian aid is being used as a weapon of war for power and financial gain. International donors, therefore, need to explore alternative solutions to effectively deliver and distribute aid in fragile states. Whilst not without challenges, cash aid rather than food aid may provide advantages.

Humanitarian aid, conflict, and peacebuilding: definition, theories and critiques

HA refers to the international humanitarian relief provided as a result of man-made or natural disasters when national coping mechanisms are overwhelmed.[10] This type of aid usually provides short-term relief until long-term solutions are put in place by the local government. It is supplied by a wide variety of actors, ranging from national and international NGOs to multilateral agencies who give aid to the recipient country, such as the World Bank and the IMF, or through development agencies of the UN, such as the World Food Program.[11] In 1864 the International Committee of the Red Cross (ICRC) became the world's first official international humanitarian organization aimed at providing HA to civilian and military victims of conflict.[12] HA today provides relief to an array of disasters, but originally it was almost exclusively supplied to conflict areas. Before World War I, the work of the ICRC was largely a private affair but when the Treaty of Versailles led to the formation of the League of Nations (later renamed the UN) to protect vulnerable populations and encourage peace, states became increasingly involved in humanitarian action. However, the modern concept and system of HA, characterized by humanity, neutrality, impartiality, and independence, only become commonplace when these basic principles were established by the UN General Assembly in 1991.[13]

Over the past three decades, there have been radical advances in medicine, delivery systems and logistical capacities that have enabled HA to become more efficient. Despite the progress, the new global environment has also presented many dangers and challenges. War economies have formed in various locations around the world, preventing HA from reaching those in need and exacerbating the humanitarian crises.[14] The term "war economy" has

[7] Examples are Narang (2011); Lischer (2005); Martínez and Eng (2016).
[8] De Torrenté (2020); Carbonnier (2015); Ballentine and Nitzschke (2005).
[9] De Montclos (2009).
[10] United Nations (2020).
[11] Moyo and Mafuso (2017).
[12] Paulmann (2013).
[13] Barnett (2011).
[14] Pugh et al. (2005).

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been used to "conceptualise the sustainability of an intractable conflict through the expropriation and exploitation of a country's resources by warring parties".[15]The custodians of war economies are often rebel movements aiming to take control of strategic locations that have commercial value, or political elites aiming to advance their political and business interests. In many cases, these war economies have caused governance systems to weaken and have resulted in their collapse, leading to long-term issues that result in the recurrence of conflict. These include political instability, malnutrition, a loss of infrastructure and a decline in the working population who are often already struggling to afford basic necessities.[16] Boyce (2008) argues that this was the case in Cambodia, where natural resources such as timber and rubber were a large source of funding for armed groups. Similarly, in Afghanistan, the world's largest opium producer and center for arms dealing, armed groups benefit from million-dollar trade revenues annually, smuggling these commodities into Pakistan from Dubai.[17] Armed groups tend to oppose intervention from humanitarian organizations as it may alter their power within the conflict. This was the case in a besieged city in Syria where food was used as a weapon of war by the Assad regime.[18] Humanitarian organizations operating in the Arab World have also been attacked. In these countries, humanitarianism is traditionally built on Islamic values of philanthropy, kinship obligations and zakat (charitable giving) and there are concerns about the western influence ruining local traditional values and culture.[19] This was thought to be the reason for the Baghdad bombing, in August 2003, now known as "the UN's 9/11", which killed the Undersecretary-General Sergio Viera de Mello and 21 other UN employees.[20]

Despite the increasing need for HA in conflict areas, there is growing concern about the unintended consequences thereof. Narang (2014) in a statistical analysis of civil wars since 1945 found that increasing HA to have been negatively correlated with the resolution of civil war. Similarly, with peripheral insurgencies the tendency for HA to prolong war was high, as was the case during the 1994 Rwandan Civil War. The government and many actors in the West accused the UNHCR and other aid agencies of indirectly fueling the conflict by supporting Hutu war criminals who were in conflict with the state.[21] Bosnia suffered similar afflictions only a few years later, when humanitarian organizations identified that the safe zones designated to provide relief supplies actually prolonged the conflict and led to the death of nearly 20,000 people.[22] Further support is provided by Barber (1997) and Cooley and Ron (2002), while Wood and Sullivan (2015) argue that HA creates incentives for armed forces to target aid recipients with violence. Looted HA can be used to their advantage or sold on the black market. A connection has also been made between the concentrations of displaced populations, which receive high amounts of HA, and an increase in conflict, terrorism, and instability.[23]

A useful contribution by Lischer (2003) warns that rather than simply disregarding HA's importance, it is important to use "deductive reasoning" and "extended examples" to identify the conditions under which HA will increase conflict and lead to war economies. Firstly, the level of politicization of groups is important since a highly politicized group may view HA as a resource to further their political and military advantage. Secondly, how the state responds to the conflict is relevant, as aid is likely to be exploited when the state is unable to maintain political order within the country, allowing militants to use HA as a weapon of war. Thus, even though HA may be donated with impartial and neutral intent, the effects of the aid may have political or military repercussions. Consequently, donors

[15] Naidoo 2000:1).
[16] Pugh et al. (2005).
[17] DeLozier (2019).
[18] Donini (2004).
[19] Hyder (2007).
[20] Benthall (2003).
[21] Gourevitch and Andrews (1999).
[22] Woodward (1995).
[23] Salehyan and Gleditsch (2006;) Lischer (2005); Milton et al. (2013).

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have been reflecting on their work and striving to find solutions to how they can effectively balance security and humanitarian objectives in conflict zones.[24]

The War in Yemen and its impact on humanitarian aid

Yemen has had a long history of violence, but the current war episode born of the Arab Spring is at the root of the social and political issues that are happening today. The war has had a profound impact on the Yemeni people and the resulting humanitarian crisis has become the worst in the world. The OCHA (2019) reported that 24.1 million people (79% of the population) were in desperate need of HA; 7.4 million of them being children and 14.3 million in acute need. There have been 17,000 civilian casualties since 2015, some 1,843 of which being children, and more than 3.3 million Yemenis have been displaced. The destruction of infrastructure and basic services has left 17.8 million people without access to clean water or sanitation, and 19.7 million people without access to healthcare, as only 51% of medical facilities are functioning.[25] However, the biggest struggle for the Yemeni population is food insecurity and malnutrition. Currently, 7.4 million people are struggling to find food and 3.2 million require treatment for malnutrition, including 2 million children under 5. The UN Human Rights Council stated that "Indiscriminate attacks against civilian infrastructure such as hospitals, water facilities, food transport, farms and marketplaces, as well as the use of blockade and siege-like warfare, impeding humanitarian access, and similar measures have exacerbated the disastrous humanitarian situation in the country".[26]

The Yemeni Spring lasted till February 2012 when Hadi took over from Saleh as president for a two-year transitional period. However, there were still high levels of corruption and unemployment, and as policies were purposefully implemented to constrain the Houthi economy, food insecurity rose. Violence continued among jihadists, with Saleh's security personnel and the separatist movement forming in the South.[27] The Houthi movement, which is formed mainly of Yemen's Shia Zaidi Muslim minority, took over the Sanaa province and the surrounding areas. Many Sunnis supported the Houthis as the rebels seized the capital. The Houthis have since been able to launch missile and drone attacks on Saudi Arabia, maintain their presence in Sana'a and siege Taiz. Forces from al-Qaeda and the Islamic State Group took control of territory in the south and carried out lethal attacks in Aden.[28] The violence has continued, and many humanitarian organizations have established themselves in Yemen to provide HA to vulnerable people as the situation is now catastrophic due to the lengthy duration of this conflict.[29]

NGOs have been present in Yemen since the 1920s, but the number has boomed over the past three decades. However, access restrictions have been a financial burden for NGOs. In gaining access to Yemen, Oxfam (2017) reported that ships are having to anchor outside of Hodeida, costing over $10,000 per ship daily. Furthermore, the constant fighting and air strikes make it dangerous for humanitarian workers trying to reach vulnerable people. Between January and September 2019, OCHA (2019) claimed that there were 825 attacks on health workers and medical facilities, including 171 deaths. In the current climate, it seems that no amount of aid will offset the societal collapse, high food prices and consequently the amount of suffering that the war has produced.

Sample and methods

To get a better idea of the situation in Yemen and the experiences of the NGOs, semi-structured interviews were held between 15 June 2020 and 30 July 2020 with Yemeni NGO directors and staff members, focusing on programming

[24] Terry (2011); Anderson (1999).
[25] Hashim et. al. (2021); Sowers and Weinthal (2021); Elayah, and Verkoren (2020); Alterman (2018); Mohamed et al. (2017); Elayah and Abu-Osba (2017); Elayah and Abu-Osba (2018).
[26] Action Against Hunger (2019).
[27] DeLozier (2019).
[28] Lackner (2019).
[29] OCHA, (2019).

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and external relations. There are around 14,500 officially registered NGOs but only 200 are currently active and out of these 34 were approached.[30] We focused only on NGOs that work in the domains of HA (n=20), development and gender (n=10), and those that are primarily welfare-oriented (n=4). For geographical division, we selected NGOs that cover all the areas of Yemen: "South" being legitimate government Hadi forces and southern secession forces-controlled areas (n=7); "North" being Houthis-controlled areas (n=14); "West" being legitimate government forces, Southern secession forces, and Ex-President Saleh forces-controlled areas (n=3); "Middle" being legitimate government forces, Southern secession forces, and Ex-President Saleh forces-controlled areas (n=3); and "East" being legitimate government forces and Islah forces (Muslim Brotherhood) part-controlled areas (n=7). We chose the largest number of NGOs in the North because it represents the largest population weight and is subject to the largest siege by the Saudi coalition forces, because of the tight control of the al-Houthi group over this region of Yemen. Appendix A gives a full overview of the selected NGOs and the conducted interviews in the different areas of Yemen, a summary of the interview guide and restrictions encountered.

The interview data from NGOs has been handled in a similar way to written sources and we have considered that personal opinions may prevent the research from being completely unbiased. Since the paper does not start with a specific hypothesis, it is of utmost importance to be open to all comments made in interviews and to ensure that ideas which one personally doesn't share are not discredited (or attached a low weight). We used an open format for interviewing to prevent interviewees from being restricted to voicing ideas that solely fit into the frame and questions of this study.

Analyzing and presenting the findings

Not surprisingly, the interviews found that the conflict in Yemen has seriously hindered both the delivery and distribution of aid. Many respondents emphasized that the warring parties are exploiting and plundering HA in Yemen. They highlighted that HA is currently part of the equation for the continuity of the war because it has not reached the targets, but rather that it is controlled by armed entities outside of the state.[31] It seems that international donations have also been a source of funding for the warring parties because they have provided both sides with arms. Bibbo (2020) reports that in February 2019, $2.6bn in donations were made at a special one-day UN conference to "ease the humanitarian crisis" in Yemen, with Saudi Arabia and the UAE being the largest donors at $500 million each. However, over half of the money raised was pledged by countries that are either fighting in the Civil War or selling arms to those undertaking the fighting, which raises the question of the political motives of the actors involved. A quarter of the donations were paid into the Yemeni Social Welfare Fund but the location of the remainder is unknown. It appears that the fight for power is a driving factor for conflict in Yemen, but this is jeopardizing the lives of millions of people as a result. The UN claims that HA becoming a weapon of war highlights a collective failure and collective responsibility of all actors involved. The political unrest has been driven by the efforts of various entities, both governmental and non-governmental, who have enabled the war economies to thrive.[32] This point was made by the majority of the participating NGOs.

Some blame can be attributed to the Saleh regime. Between 2011 and 2015, there were numerous lethal attacks killing thousands of Yemenis. While Al-Qaeda in the Arabian Peninsula (AQAP) took responsibility for a vast number of attacks, it is probable that Saleh supported some of them to discredit the traditional regime, gain international support and prove that he was the only one that could keep the conflict under control.[33] The situation has not improved during Hadi's presidency, as policies continue to benefit business lobbies with ties to the

[30] Elayah (2021); NDC-NWO (2016).
[31] Personal communication (interviews), majority of the participation NGOs, June 17-July 30, 2020
[32] UNHRC (2020).
[33] Koehler-Derrick (2011); Boutton (2016).

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government. Policies aimed at increasing share of the import market and prioritizing small business circles with close relations with government officials that regularly commit humanitarian violations.[34] The Hadi government, supported by the Islamic Reform Party (a Muslim Brotherhood wing in Yemen), has not implemented a clear policy to guide the expenses of its forces and the extravagant spending of its officials, as a result, in 2014 it spent an estimated $12.12 billion. This did not appear to be cast in local development projects, social welfare payments, or job creation.[35] Rather, a number of Hadi government officials have been involved in selling oil derivatives outside the framework of the official state institutions and contracting with fake energy companies to plunder billions of dollars in revenue from electricity, oil, and gas, as well as selling oil and gas facilities and equipment to Dubai from Marib, Shabwa, and Hadramout.[36] The government has also signed deals to sell the currency, the consequences of which are the collapse of the local currency and increasing poverty levels.[37]

Senior military leaders who are against the Houthis gained millions of dollars through statements in the names of fake soldiers in Marib and other Yemeni regions. The soldiers' wage allocations are reportedly not reaching those already on the battlefield. Instead, anti-Houthi military and security personnel are registered on more than one military list with two separate salaries from two different sources.[38] There are many examples of this in the southern governorates such as Aden, where Emirati-backed and sponsored security agencies related to the Southern Transitional Council (STC), are receiving their salaries on a separate list from the Yemeni Ministry of Interior of the Hadi government.[39] Lackner (2019) argues that corruption and nepotism have become extensive as the Yemeni ruling elite have been weakening the power of the people through a mixture of co-optation, repression and divide-and-conquer tactics, worsening the already catastrophic humanitarian crisis. It has been suggested that Saleh was very corrupt during his time as President after a UN (2015) report revealed that he is alleged to have amassed assets between $32 billion and $60 billion…located in at least 20 countries. It is thought that corruption is still an issue with the Hadi government. Although a figure has not been released, one of our interviewees, a Yemeni economist, suggested that Hadi's corruption amounts to around $14 billion.[40] DeLozier (2019) reports that the UN claims corruption is worsening the humanitarian crisis by preventing the importation of commercial goods and artificially raising prices, meaning basic food and medical supplies are too expensive for the majority of the population. High prices have made HA a valuable commodity and a target for armed groups who, the interviewees claimed, are diverting it on a large scale to the war effort. They distribute it to those who are loyal to them or sell it on the black market, which is thought to be controlled by a cartel with close ties to the senior Houthi official Mohammed Ali al-Houthi.[41]

A secessionist organization, the STC, formed by a faction of al-Hirak (Southern Yemen Movement) claims to rule most of Southern Yemen; its 26 members include the governors of five southern governorates and two government ministers. Currently, they control the port of Aden with many respondents claiming that the STC is stealing food aid coming directly from the UAE and using it to either feed the families of its soldiers or selling it on the black market. Mohammed and Elayah (2018) claim that the STC also has control of many NGOs throughout the southern governorates. On the surface, these NGOs work with international donors to provide humanitarian assistance to groups suffering from the conflicts, but in the reality, they mainly work for the benefit of the STC, providing

[34] DeLozier (2019); Zimmerman (2015).
[35] SCSS (2018).
[36] Eaton et al. (2019); Hill et al. (2013).
[37] CMWG Yemen (2020).
[38] Brehony (2020).
[39] Personal communication (interviews), majority of the participation NGOs, June 17-July 30, 2020
[40] SCSS (2018).
[41] DeLozier (2019).

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nutritional support for its combatants and increasing its political and military legitimacy at local levels.[42] The Central Bank of Yemen announced that forces loyal to the STC, which declared self-rule in Aden on 26 April 2020, had looted 64 billion riyals, printed in Russia for Yemen.[43] Currently, the STC controls the port of Aden's income, taxes, and other revenues in the southern governorates, which are estimated to be valued at millions of dollars.[44] An interviewee added that the STC depends more on the support of rich southern Yemeni merchants, who are in the Gulf states, America, and Europe; their support is estimated to worth billions of riyals.[45]

All 34 of the interviewees felt that the warring parties in Yemen cared little about the victims of the war and so did not let the HA reach the affected victims in an easy or smooth way. Most estimated that only 10% to 20% of the aid reached the intended vulnerable people.[46] NGOs use field research to collect data about vulnerable people,[47] but they are obliged (forced) by Houthis (for example) or neighborhood representatives, to add false names during data collection.[48] A large amount of HA goes to those who are not vulnerable, such as high-ranking officials who register false names and add non-vulnerable people. Many respondents, especially those NGOs operating in Houthi-controlled areas, argued that the war economy began from the moment the militia stockpiled the HA, to finance its wars and enrich its loyalists. The Houthi group also used oil revenues, extortion and levies imposed on citizens and merchants.[49] Their control of the ports has resulted in Yemen turning into a black hole for HA.[50]

One of the interviewees argued that the "Al-Houthi group has more benefits than the other warring parties in Yemen in terms of economic affairs, and it can be easily observed how the group translates this through its dealings with agreements that seek to achieve peace in Yemen and its refusal to adhere to everything that would stop the war or support any political solution".[51] The Houthi group took control of the cash reserves of the Republic of Yemen of around $5.1 billion and receives revenues in the form of taxes from the local provinces under its control in excess of $1.7 billion annually. Merchants, companies, hospitals and factories have been forced to pay exorbitant sums of money in the form of royalties.[52] They also founded 1,500 NGOs in cities under their control between 2014 and 2018 to loot and sell HA. Fuel sold on the black market remains one of the Houthi's most important sources of revenue amounting to $1.14 billion. This fuel, in the form of crude oil and gas, is thought to be stolen from Iran and listed as coming from the UAE or Oman on falsified paperwork so that it can be imported through Hodeida without detection.[53]

Ports are an essential means of delivering aid and goods to Yemen, with around 90% of food in Yemen being imported.[54] Despite this, OCHA (2019) reports that the Saudi-led coalition is enforcing both restrictions on HA supplies and a commercial blockade on air and sea paths into Yemen. The coalition has claimed that the blockades are necessary to prevent the smuggling of weapons, but it has meant that food imports have dropped by 30% over the past year.[55] The result has been less food and higher prices and millions close to famine. In addition, bridges linking Yemen's main port at Hodeida with the main capital city of Sana'a have been bombed by coalition forces. Vehicles loaded with HA for one-third of the Yemeni population are having to take alternate routes, increasing journey times,

[42] Personal communication (interview), East-based NGO, July 6, 2020. Also see Orkaby (2020) .
[43] Reuters (2020).
[44] Personal communication (interview), South-based NGO, July 22, 2020.
[45] Personal communication (interview), South-based NGO, July 8, 2020.
[46] Personal communication (interview), West-based NGO, June 15, 2020.
[47] Especially by using multi-Cluster/Sector Initial Rapid Assessment (MIRA).
[48] Personal communication (interviews), majority of the participation NGOs, June 17-July 30, 2020.
[49] Personal communication (interviews), majority of the participation NGOs, June 17-July 30, 2020
[50] Personal communication (interview), North-based NGO, June 22, 2020.
[51] Personal communication (interview), Middle-based NGO, July 9, 2020.
[52] Zachary and Robinson (2020).
[53] Mohammed and Elayah (2018).
[54] DeLozier (2019).
[55] Personal communication (interview), South-based NGO, July 7, 2020

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elevating delivery costs, and making it impossible to reach some of the worst affected areas.

While Amnesty International (2017) claimed the blockade amounted to the collective punishment of Yemen's civilians, the interviewees and OCHA (2019) report, the long and questionable inspection systems enable the warring parties to loot HA coming into the country.[56] Second, as many interviewees stated, the Houthi rebels are using the blockade as a way to gain power within the region. According to HA officials and documents that Associated Press obtained, the blockades are "a strong-arm tactic to force the agency (UN) to give them greater control over the massive humanitarian campaign, along with a cut of billions of dollars in foreign assistance".[57] Furthermore, the blockades have increased diesel prices. Between March and April 2019 prices increased by over 60% in Sana'a City and 45-55% in the governorates of Al Hudaydah and Raymah.[58] This has had a disastrous effect on the availability of supplies, leading to a knock-on effect on prices.[59] Rural areas are suffering. Transporting food and people to the markets is very costly and this is having a devastating impact on the population, which is already struggling to pay for the bare minimum. It is thought that the Houthi groups are intentionally creating an artificial fuel scarcity to increase prices on the black market.[60]

Restrictions to access by the blockade has been a financial burden for the international NGOs. Last year 86% of cases, where UN staff were denied access to vulnerable communities, were the result of administrative restrictions on movement where permission from authorities was required. The other 14% of incidents were due to hostilities and military operations. The U.S. Trump administration decided in March 2020 to freeze spending on various HA programs.[61] NGOs, however, want to continue with HA supplies due to the extent of the humanitarian crisis. Oxfam (2017) announced that they are revising their approach and stepping up their support in order to overcome the financial challenges, even though their funding will run out faster. Furthermore, delivering aid in conflict settings is extremely challenging.

Conclusion and Recommendations

Our analysis of HA in Yemen supports the view that it is a significant source of funding for armed groups, and consequently that it plays a huge part in allowing the war economy in Yemen to thrive. Warring groups are often looting HA to distribute it based on partisanship and to sell it on the black market to finance the war effort. They have also attempted to block HA to try and gain control over the humanitarian campaign and receive a cut of the billions of dollars given in foreign assistance. In many cases HA is distributed through local NGOs that were established by the groups to attract international funds. Others were pre-politicized NGOs that channeled funds to specific regions or particular groups for political and military advantage. It is clear from our analysis that the ability of NGOs to use HA effectively and deliver it to those who deserve it is very limited. NGO's actions can end up expanding the war economy rather than reducing the effects of war on the poor. Distrust in international bodies and in local and international NGOs has become extremely high among those affected by the war.

Many studies have argued that providing humanitarian assistance during the war as HA can still have a net positive effect on populations even if war is prolonged.[62] It can alleviate suffering and rebuild failed states. This implies that HA is an ethical necessity that enhances local security and supports civil actors in strengthening the pillars of stability. The results of this study suggest that this is more difficult than expected and that donors need to seek alternative

[56] Fink (2017).
[57] Bibbo (2020).
[58] FEWSN (2019).
[59] Tandon and Vishwanath (2020).
[60] DeLozier (2019).
[61] Lackner (2019).
[62] Examples include: Narang (2014); Berman et. al. (2011); Collier and Hoeffler (2002); and de Ree and Nillesen (2009)

solutions in fragile states. One means of restoring donor confidence and dealing with some of the issues is to provide cash aid rather than food aid. When NGOs are unable to distribute food aid successfully, some of the funds could be transferred to cash. This could be more traceable, efficient, and transparent. There are, of course, challenges in adopting cash transfers that will require further study, such as how transferable the practices in stable countries are into countries in conflict. Yemen would make a useful case study if this policy were adopted.

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Appendix A: Overview of the selected NGOs and the conducted interviews in the different areas of Yemen and interview guide and restrictions.

The interview guide includes qualitative questions such as: What is your approach to the crisis? How do you reach vulnerable people? Do you see where your aid goes? Do you know how many of your supplies reach the people who need them? Would you say that food has become a weapon of war? Has the blockade on Yemeni ports affected your work and worsened the crisis? Has your NGO made progress in Yemen? What do you think the biggest challenges are in reaching the Yemeni people? Were you active before the conflict and has this changed? Would you say the attempts made by your organization to alleviate suffering are contrary to the political interests of the Yemeni government?

The restrictions for fieldwork are brought to the fore. Options for interviewing NGO representatives face-to-face in Yemen are severely limited due to widespread violence in the country. The cities of north-Yemen are currently off-limits, which also applies to the Southern governorates. It was, however, possible, to work with "third interviewers" who were based in these areas and as a result we conducted (n=21 out of n=34) interviews in person (see Table A1). Otherwise, interviews were carried out via phone/Skype, although this was troublesome because the electricity supply was unreliable in the entire country.

Table A1: Interviews undertaken

	Key Issue(s)	*Location*	*Armed/ Political control*	*Area**	*Interview Situation*	*Interview date (2020)*	*Gender of interviewee*
1	Humanitarian Aid	Sana'a City	Houthi	N	In person	June 17	F
2	Humanitarian Aid	Aden	Houthi	N	In person	June 22	F
3	Humanitarian Aid	Al-Mahrah	Hadi Forces	E	Skype	July 20	M
4	Humanitarian Aid	Aden	Southern Forces	S	In person	June 15	F
5	Humanitarian Aid	Taiz	Hadi Forces	S	In person	July 3	F
6	Humanitarian Aid	Sana'a City	Houthi	N	In person	July 24	M

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	Key Issue(s)	*Location*	*Armed/ Political control*	*Area**	*Interview Situation*	*Interview date (2020)*	*Gender of interviewee*
7	Humanitarian Aid	Sana'a	Houthi	N	In person	July 7	M
8	Humanitarian Aid	Sana'a City	Houthi	N	Phone call	July 23	F
9	Humanitarian Aid	Maarb	Hadi Forces + Islah Forces	E	Phone call	July 23	F
10	Humanitarian Aid	Shabwah	Hadi Forces	E	In person	July 6	M
11	Humanitarian Aid	Taiz	Hadi Forces	S	In person	July 7	F
12	Humanitarian Aid	Sana'a City	Houthi	N	In person	July 22	F
13	Humanitarian Aid	Sana'a City	Houthi	N	In person	July 22	M
14	Humanitarian Aid	Hajjah	Houthi	W	Phone call	July 8	F
15	Humanitarian Aid	Taiz	Hadi Forces	M	In person	July 8	M
16	Humanitarian Aid	Lahj	Hadi Forces + Southern Movement	S	In person	July 8	F
17	Humanitarian Aid	Hadramout	Hadi Forces	E	In person	July 26	M
18	Humanitarian Aid	Maarb	Hadi Forces + Islah Forces	E	In Person	July 25	M
19	Humanitarian Aid	Dhamar	Houthi	N	In person	July 30	F
20	Humanitarian Aid	Al Mahwit	Houthi	N	Phone call	July 30	M
21	Development and Gender	Abyan	Southern Movement	S	Phone call	July 29	M
22	Development and Gender	Amran	Houthi	N	In person	July 15	M
23	Development and Gender	Taiz	Hadi Forces	M	In person	July 9	F

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	Key Issue(s)	*Location*	*Armed/ Political control*	*Area**	*Interview Situation*	*Interview date (2020)*	*Gender of interviewee*
24	Development and Gender Development, Human Rights	Sana'a City	Houthi	N	In person	July 15	F
25	Development and Gender	Lahij	Southern Movement	S	In person	July 22	M
26	Development and Gender	Hadramaut	Hadi Forces	E	Phone call	July 14	F
27	Development and Gender	Amran	Houthi	N	Phone call	July 13	F
28	Development and Gender	Raymah	Houthi	W	Phone call	June 15	M
29	Development and Gender	Shabwah	Hadi Forces	E	Phone call	June 18	F
30	Development and Gender	Ibb	Houthi	M	In person	July 3	M
31	Welfare-Oriented	Aden	Southern Movement	S	In person	July 27	F
32	Welfare-Oriented	Al Hudaydah	Ex-President Saleh forces	W	Phone call	June 28	F
33	Welfare-Oriented	Sa'dah	Houthi	N	Phone call	June 20	M
34	Welfare-Oriented	Dhamar	Houthi	N	In person	July 11	F

Note: N= North S=South W=West E=East and M=Middle of Yemen.

Did the Qatar blockade work? Evidence from trade and consumer welfare three years after the blockade

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Abstract

This article examines the effects of the embargo (blockade) imposed on Qatar in June 2017 by four countries: Saudi Arabia, the United Arab Emirates, Egypt, and Bahrain. Using highly disaggregated product-destination quarterly trade datasets provided by the Qatar General Authority of Customs, we find a significant decline in Qatar's aggregate imports and consumer welfare (with an increase in the prices of imported goods) in the short run, but not thereafter. Political relations with non-besieging countries seem to be associated with Qatar's bilateral trade after the blockade, particularly in the first quarter. Shortly after the blockade, countries opposing the blockade experienced a sizable growth in exports to Qatar. In the medium to long run, Qatar succeeded in mitigating the impact of the blockade by diversifying its import origins and adopting new reforms to stabilize the economy and enhance the country's food security and self-sufficiency.

In June 2017, the four countries of Saudi Arabia (KSA), the United Arab Emirates (UAE), Egypt, and Bahrain imposed a complete embargo (blockade) on Qatar, cutting all diplomatic and economic ties with Doha. These countries accused Doha of supporting "terrorism," maintaining close connections with Iran, and attempting to influence their internal affairs. As a precondition to lifting the siege, the besieging countries demanded that Qatar sever its political ties with Iran and "terrorist" groups. Qatar refused to submit to the demands of the besieging countries, describing the accusations as baseless and illegitimate. To date, little progress has been made toward resolving the ongoing political and economic crises among the five countries. This article examines the effects of the blockade on trade patterns in Qatar using detailed product-destination quarterly trade data.[1]

Economic sanctions, embargoes, blockades, and boycotts have been a regular part of trade policy throughout history.[2] Motivated by political conflicts, sanctions are usually employed to punish trade partners and influence the political behavior of the targeted economy.[3] By disrupting international trade networks, exports, imports, and the movement of capital and workers, sanctions and blockades tend to reduce economic welfare and growth in the besieged countries. Consequently, targeted governments are pressured to change their behavior to avoid the political and social upheaval that may be fueled by deteriorating economic conditions.[4]

[1] It is worth mentioning that, on January 5, 2021, Qatar and the besieging countries held an unexpected summit in the Saudi Arabian city of Al-Ula in which they agreed to put an end to the Qatar blockade (Al-Ula summit agreement). It is intriguing to investigate whether trade patterns return to the pre-blockade trends once the agreement is fully implemented and as post-blockade trade data become available. For now, this has to wait.

[2] See, e.g., Torbat (2010); Heilmann (2016); Felbermayr et al. (2019).

[3] Davis and Engerman (2003) and Kaempfer and Lowenberg (2007) provide an excellent survey of the literature on sanctions. Earlier theoretical studies of the economics of sanctions include Eaton and Engers (1992, 1999); Doxey (1980); Kaempfer and Lowenberg (1988); Martin (1993). Other important studies include Crawford and Klotz (2016); Drezner, (1999); Hufbauer et al. (2007); Joshi and Mahmud (2016); Levy (1999).

[4] For a theoretical treatment of the impact of sanctions on the behavior of regimes, see Naghavi and Pingataro (2015).

The embargo imposed on Qatar in June 2017 by Saudi Arabia, the United Arab Emirates, Egypt, and Bahrain saw a significant decline in Qatar's aggregate imports and consumer welfare in the short run, but not thereafter. In the first quarter, political relations with non-besieging countries offered short-term (if expensive) mitigations. In the medium to long run, Qatar succeeded in diversifying its import origins and adopting new reforms to stabilize the economy and enhance the country's food security and self-sufficiency. The trade and economic reforms that the Qatari government adopted to deal with the embargo, mitigated its long-term ramifications and paved the way for a more resilient economy.

Nonetheless, the extent to which sanctions and blockades impact economic and political outcomes in blockaded countries is still an open question. In practice, the effects of sanctions on international trade vary across time and space. They depend on the bilateral trade before the sanctions between the countries involved, international cooperation, political and economic institutions in the targeted countries, and the new political allegiances and economic partnerships that emerge after the sanctions. This renders the impact of sanctions an empirical question.[5] Recent studies have examined the effects of the Qatar blockade on stock markets and on management, as well as examining the responses of the people of Qatar and their leadership to the crises.[6] To the best of our knowledge, this article is the first study to carefully examine the impact of the blockade on international trade using disaggregated trade data.

The Qatar blockade was abruptly and unexpectedly announced overnight, effectively closing Qatar's only land borders with Saudi Arabia and some major sea and air trade routes. Thus, Qatar was forced to quickly find alternative trade partners and routes. This provides us with a unique opportunity to examine the impact of the blockade in a natural experiment setting. Our article is the first to utilize this exogenous shock to track and analyze the changes in the patterns of trade and import prices (representing consumer welfare) in Qatar before and after the blockade. We use highly disaggregated quarterly bilateral trade data to examine the impact of the blockade on aggregate trade and specific industries in the short, medium, and long run.

Trade theories suggest that the immediate effect of the blockade will have been large (i.e., in the first two quarters following the blockade), wearing off over the long term. To be precise, neoclassical theory postulates that, in equilibrium, a country will import a product from the cheapest producer (country).[7] Under incomplete information and costly searches, the choice of new import origins in response to the embargo may be suboptimal in the short run, slowly adjusting toward the least cost import origins.

The remainder of the article is organized as follows. In the next section we examine Qatar's patterns of trade before and after the blockade and the section investigates Qatar's trade relations with the besieging countries and the impact of the blockade on import diversification and prices. The final section presents some conclusions.

Aggregate trade, trade partners, and patterns of trade

Immediately after the blockade was announced on June 5, 2017. As Figure 1 shows, aggregate imports fell from QAR 28bn in the first quarter of 2017 to 24.5bn and 23.6bn, in the second and third quarters respectively. This decline in Qatar's imports was not driven simply by the potential overall slowdown in the economy, as total imports as a percentage of GDP fell from 14% in the first quarter of 2017 to 12.3% and 11.3% in the second and third quarters. Interestingly, total imports skyrocketed to QAR 32.6bn at the end of 2017. This led to an increase in imports as a percentage of GDP to 16% in Q4 2017, after which total imports started to decline and eventually reverted to the pre-blockade level by the end of 2019. We can think of few possible explanations for the observed spike in imports in

[5] See, for instance, McLean and Whang (2010); Whang (20100; Haidar (2017); Pape (1997), among others.
[6] Selmi and Bouoiyour (2020); Milton-Edwards (2020); Ulrichsen (2020). Our study is closely related to Al-Mal (2020) who employed a difference in difference model to show that the blockade has differential effects on the prices of imported goods based on HS 2-digit classification.
[7] See, for example, Eaton and Kortum (2002).

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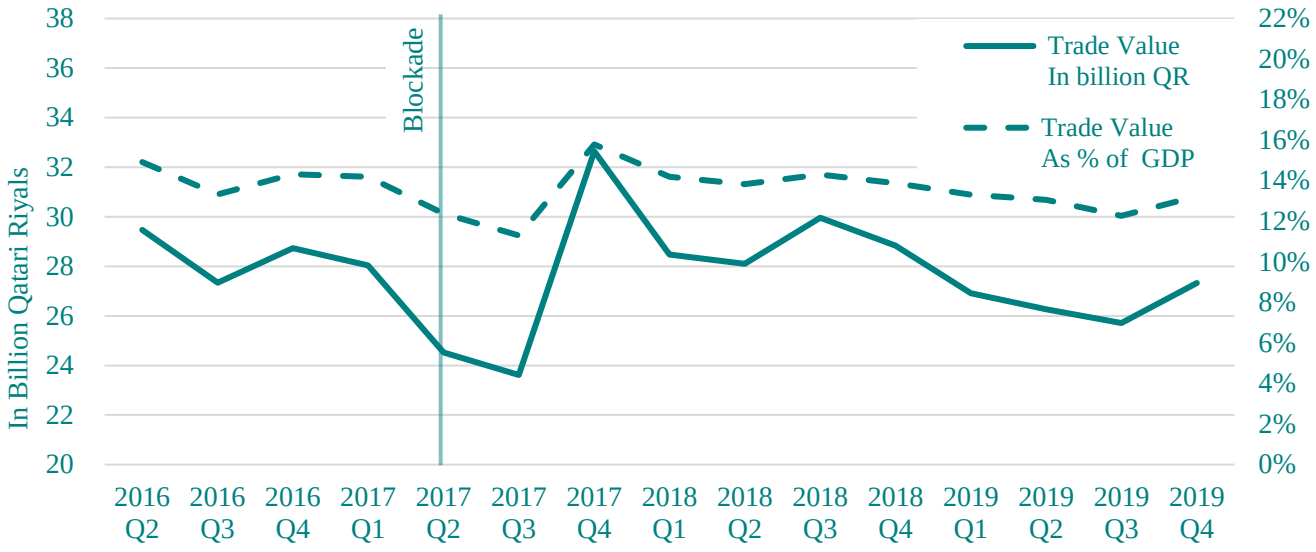

Figure 1: Aggregate imports.
Note: The vertical line indicates the beginning of the blockade. The solid line traces total imports in billions (left y-axis). The right y-axis and the dashed line represent total imports as a percentage of GDP.
Source: Qatar General Authority of Customs. https://www.psa.gov.qa/en/statistics1/ft/pages/default.aspx.

Q4 2017. The Qatari government reacted swiftly and quickly to stabilize the economy and boost consumer and investor confidence. First, it acted very quickly to find alternative and reliable trade partners along with new routes to regain access to international markets. An analysis of the top 15 exporters to Qatar in 2016 and 2018 indicates important changes in Qatar's trade partners. As expected, the KSA and the UAE disappeared from the list of top exporters in 2018 and new trade partners emerged (Iran and Oman). Imports from major world exporters (the U.S. and China) increased, pointing to a shift in Qatar's trade policy toward more stable international markets. Turkey became an important trade partner, advancing from 15th in 2016 to the 7th largest exporter to Qatar in 2018. Second, the opening of Hamad Port (three months after the blockade) may have helped Qatar mitigate the effects of the embargo and accelerate the process of searching for new trade partners in the wake of the blockade; increasing the country's capacity to obtain direct imports from international markets without relying on the UAE or the KSA. Finally, to ramp up domestic production and enhance food security and self-sufficiency, the government incentivized and supported domestic production, in particular that of the agriculture sector. This led to a large increase in imported cattle and the intermediate inputs necessary to build dairy plants and improve plantations. The trade data show a significant increase in agricultural imports in the fourth quarter of 2017 compared to the second quarter (around 25 precent). Nonetheless, imports of agricultural goods do not fully explain the overall spike in imports in the fourth quarter of 2017.

To gain more insight regarding the effect of the blockade, we trace imports by products at a very disaggregated level (HS 8-digit) over time. Analysis of the top 15 imported goods from Q1 2016 and Q4 2019 showed the patterns of trade to be relatively stable over time and unaffected by the embargo.[8] The top 15 imported commodities were almost identical two quarters before and after the blockade. This is not wholly surprising for two reasons. First, the

[8] Tables are not shown in the article. Additional tables and results are available upon request.

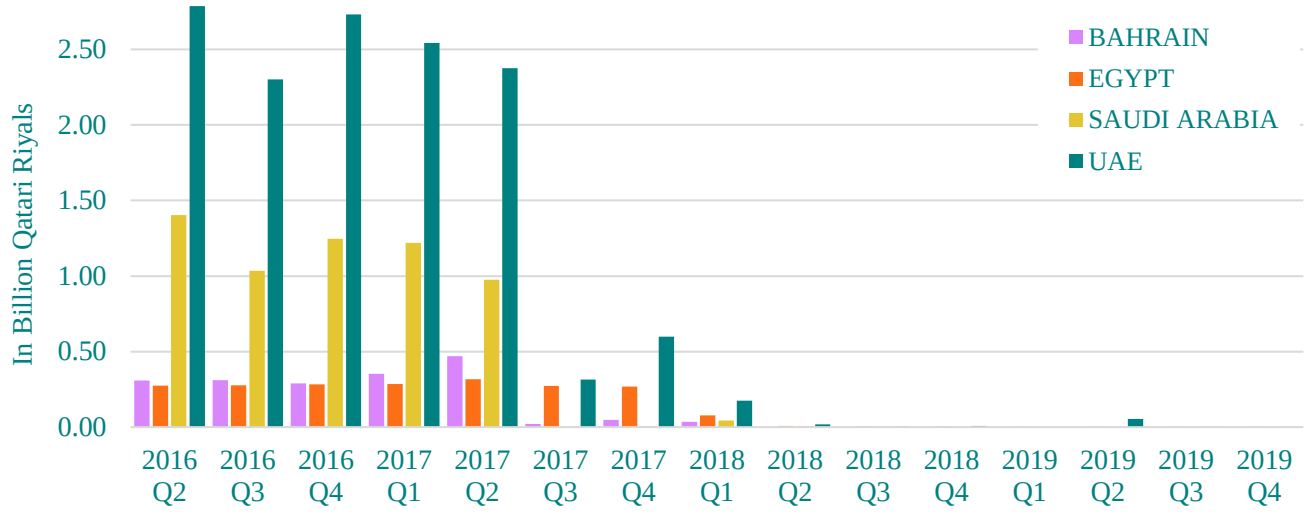

Figure 2: Imports from besieging countries.
Source: Qatar General Authority of Customs. https://www.psa.gov.qa/en/statistics1/ft/pages/default.aspx.

trade routes for the top imported goods were not disrupted by the blockade, since the countries of origin for those goods were usually advanced industrialized countries or China. Second, Qatar was able to utilize its large foreign reserves to stabilize the economy and currency, ensuring the continuation of its imports and access to international markets.

Trade with the besieging countries

Ultimately, the effect of the blockade depended largely on Qatar's economic ties with the four besieging countries prior to June 2017. Figure 2 shows the bilateral trade between Qatar and each besieging country from Q2 2016 to the end of 2019. It is evident that Qatar's imports from the besieging countries plummeted in the third quarter of 2017, immediately after the embargo was announced, but remained positive for the first two quarters of 2018. Imports from Bahrain completely stopped from Q2 2018 onward. Exports from the remainder of the besieging countries remained positive but were very limited, registering zero exports in some quarters. Among the four countries, the UAE and the KSA are of particular interest due to their large bilateral trade with Qatar prior to the blockade. To put things into perspective, exports from the UAE to Qatar fell from QAR 2.5bn in Q1 2017 to QAR 141m in Q4 2019. Likewise, Qatar imported about QAR 1.2bn from the KSA in Q1 2017 and less than QAR 56m in Q4 2019.

This decline in imports from the besieging countries was offset by the increasing bilateral trade from other trade partners. As discussed above, new countries joined the list of the top 15 exporters to Qatar after the blockade, taking the place of the UAE and the KSA. Between 2016 and 2018, imports from Turkey and Oman increased by more than 150% after the blockade. India, the U.K., and the U.S. also experienced an increase in exports to Qatar ranging from 25-75%. The countries with the biggest increase in exports to Qatar after the blockade, in particular Turkey, Oman, and Iran, were also those that publicly condemned the blockade and offered help to Qatar, suggesting an association between political ties and bilateral trade.

Table 1 presents the top six imported commodities from the besieging countries before the blockade (in Q4 2016 and Q1 2017) using the disaggregated datasets. It shows that more than 98% of imported pebbles, gravel, and yogurt came from one or more of the four besieging countries before the blockade (along with more than 80% of copper and electric cables). Immediately after the blockade in Q3 and Q4 2017, Qatar continued to import some of those goods

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Table 1: Top imported goods from besieging countries

	Sum of Q4 2016 and Q1 2017			*Sum of Q3 and Q4 2017*			*Sum of Q3 and Q4 2018*		
Product	***Total***	***Besieging***	***%***	***Total***	***Besieging***	***%***	***Total***	***Besieging***	***%***
Ethylene	209	162	77.30	148.8	0.00	0.00	144.60	0.00	0
Copper Wire etc.	609.96	535.96	87.87	428.78	140.36	32.73	612.80	0.00	0
Electric Cable, etc.	260.10	212.97	81.88	213.95	163.64	76.49	23.34	0.00	0
Iron Ores, etc.	1,380.62	292.00	21.15	1,297.74	0.00	0.00	1,161.55	0.00	0
Pebbles, Gravel, etc.	740.82	726.18	98.02	494.82	21.00	4.24	477.84	0.00	0
Yogurt, etc.	155.56	154.200	99.13	58.103	0.000	0.00	4.05	0.00	0

Notes: The column "Total" refers to total imports of the corresponding product, measured in QAR million. The column "Besieging" refers to the value of imports of the corresponding goods imported from the besieging countries in QAR million.

Source: Qatar General Authority of Customs. https://www.psa.gov.qa/en/statistics1/ft/pages/default.aspx.

from the besieging countries, albeit at much smaller amounts. For example, the percentage of imported copper and pebbles dropped to 32% and 4%, respectively. One year after the blockade, in Q3 and Q4 of 2018, Qatar imported all these goods from non-besieging countries. The embargo was abruptly and suddenly announced in June 2017, leaving little room for Qatar to adjust its trade policy and partners to face such a large shock. As Qatar relies heavily on international markets to meet its domestic consumption, some imports continued to flow from the besieging countries. Meanwhile, Qatar started searching for new trade partners and alternative trade routes to minimize the adverse effects of the blockade. One year later, it would seem that Qatar had succeeded in finding reliable and alternative trade partners and had ceased importing from the besieging countries.

An interesting example of the impact of the embargo, and the speed of adjustment, is the importing of yogurt. As Figure 3 shows, the countries of origin before the blockade, most of the imported yogurt came from the besieging countries, then in Q3 2017, more than 87% of imported yogurt was shipped from Turkey. However, in Q4 2017, Qatar imported yogurt from a more diversified group of countries including Morocco, Tunisia, Greece, Turkey, and the U.S., with Morocco having the highest share at around 35%. Imports of yogurt then became more diversified and less concentrated in terms of the number of import origins, with Greece, the U.K., and Algeria almost equally responsible for 75% of the total imports in Q4 2018. The patterns of import origins for other traded goods had a significant impact goods are similar to those for yogurt. This illustrates the manner in which search and adjustments of trade partners takes place. In the short run, immediately following the blockade, Qatar resorted to importing from Turkey to fulfill its domestic demand for yogurt. However, the choice of Turkey in the short run is not a coincidence. Turkey is one of the few countries that strongly opposed the blockade and rushed to help Qatar economically and militarily, thus facilitating trade flows to Qatar. As a result, importers in Qatar were able to quickly replace imported yogurt from the besieging countries with imports from Turkey. As time constraints became more relaxed, importers had greater opportunities to search international markets for the cheapest sources of yogurt, resulting in less import concentration in the following quarters.

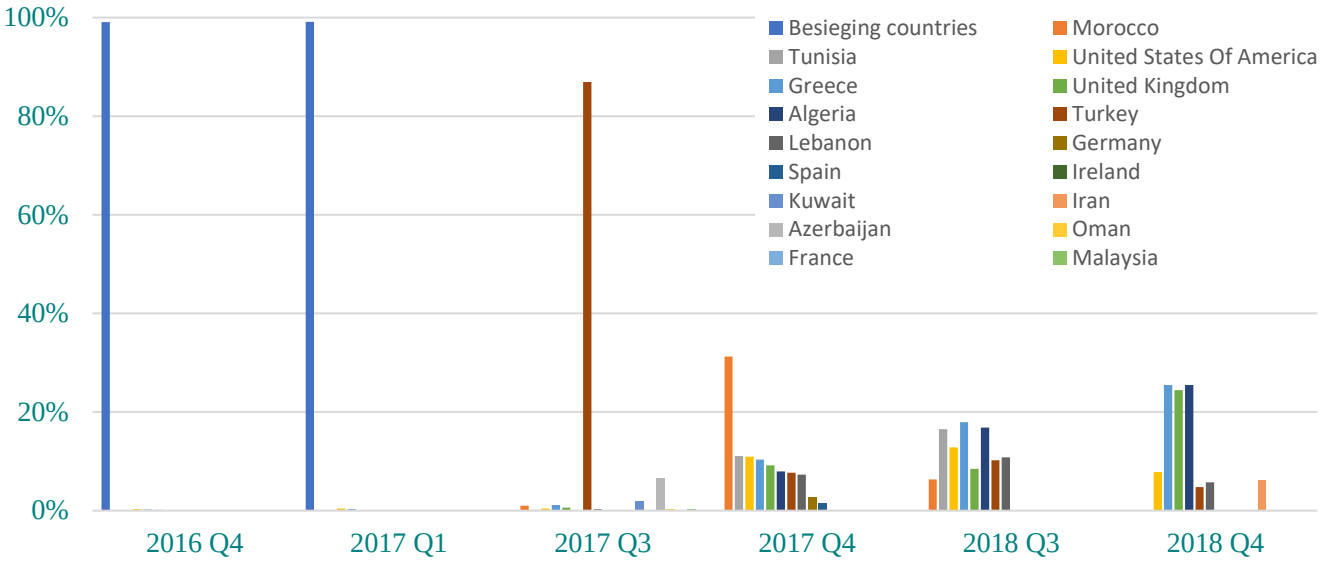

Figure 3: Yogurt Import origins over time.
Source: Qatar General Authority of Customs. https://www.psa.gov.qa/en/statistics1/ft/pages/default.aspx.

Evidence of this search for the cheapest sources is provided by considering the trajectory over time of the unit values (prices) of the pre-blockade top imported goods from the besieging countries. Our assumption is that Qatar was in a steady state equilibrium before the embargo, that is imported goods came from the cheapest country of origin (including transportation costs). Hence the observed patterns of trade, terms of trade, and trade partners were indeed welfare maximizing outcomes. At the outset of the embargo, Qatar was forced to replace its few existing import origins with new import markets. If the search for new import sources was costless and all the required information was readily available, Qatar would merely move to the second-best import sources. Nevertheless, under costly search and incomplete information, it would take some time for Qatar to identify the second-best imports sources. Under the first scenario, the set of import origins and the prices of imported goods would be relatively stable immediately after the blockade. In the second scenario (costly search), the set of importers and the prices of imported goods in the long run would significantly differ from the observed prices and importers shortly after the blockade. Figure 3 suggests there was indeed costly search, as the origins for yogurt changed dramatically after June 2017, particularly in the first two quarters after the blockade.

In Figure 4, we plot the unit value of yogurt, calculated as the total value of imports divided by the total imported quantity, over several quarters before and after the embargo. The unit value (price) of imported yogurt soared shortly after the blockade (Q3 and Q4 2017), then started to decline slowly, and eventually returned to the pre-blockade level by the end of 2018. Together, the data in Figures 3 and 4 suggest that the effects of the blockade was large in the short run and mild to negligible in the long run. While the analysis supports the presence of costly search and the moved quickly to identify reliable international incomplete information hypothesis, the speed at which Qatar adjusted its trade patterns was spectacular The country markets and diversify the origins of its imports, bringing the import prices down and improving consumer welfare.

Conclusion

This article has examined the impact of the 2017 blockade, in which four countries imposed a sudden and unexpected embargo on Qatar, cutting all diplomatic and economic relationships. Our analysis suggests that the trade policies

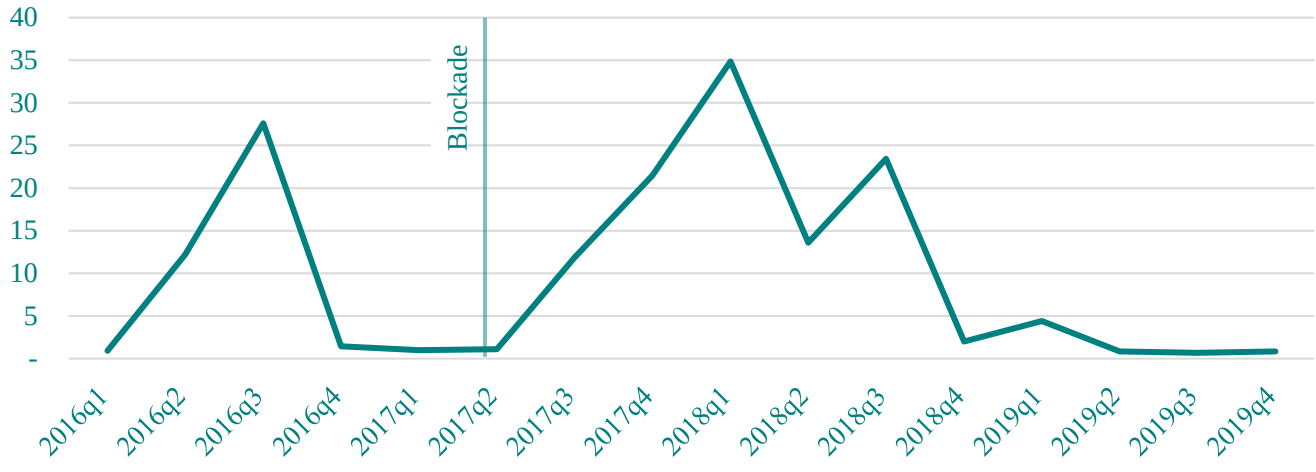

Figure 4: Unit value for imported Yogurt.
Notes: The unit value in y-axis (QAR thousands) is given by the total value of imports over the total imported quantity measured in tons. Yogurt includes products that may or may not be concentrated and may or may not contain: added sugar, flavorings, fruit, or cocoa.
Source: Qatar General Authority of Customs. https://www.psa.gov.qa/en/statistics1/ft/pages/default.aspx.

and economic reforms adopted by the Qatari government following the blockade mitigated the event's adverse consequences. Qatar's imports fell significantly in the short term after the commencement of the blockade, but quickly recovered. In addition, evidence suggests that countries that opposed the blockade increased their exports to Qatar, particularly in the first few quarters following the blockade.

This case study shows that the effect of a blockade can best be understood by exploiting the potential differential impact of the embargo across industries and sectors. The blockade on Qatar had a significant impact on trade in the short run, but a limited effect in the medium and long run. The prices of imported goods increased shortly after the blockade, only to fall again a few quarters later. In addition, Qatar's imports seem to have become increasingly diversified in terms of the countries of origin compared to the pre-blockade period. Our analyses suggest that the adverse effects of the blockade were short-lived. We argue that the trade and economic reforms that the Qatari government adopted to deal with blockade-related challenges mitigated the ramifications of the embargo in the long run and paved the way for a more resilient economy.

Our article illustrates the information available and points to the potential for future research to identify the causal effects of political relations on bilateral trade and quantify the consequences of the blockade.

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