

# The MENA2050 Regional Vision Team for the Day after the Gaza War

## Research Note 1



# Can the Middle East Emulate Europe's Success in Using Economic Integration as a Vehicle for Peace?

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## Executive Summary

Many leading policymakers inside and outside the MENA region promote the use of economic integration as a way of decreasing violent conflict in the MENA region. This is often accompanied by comparisons to the European Union and its progenitors, which deployed economic integration as a primary vehicle for the promotion of peace following centuries of bloody internal conflict.

This research note explores the plausibility of the idea that the MENA region can emulate Europe's success in using economic integration as a vehicle for peace. It combines a light review of the relevant academic literature with insights gained from in-depth, semi-structured interviews with 10 experts who are either from the region, or who have in-depth knowledge of the region. A full description of the method can be found in Research Note 0, including information about the authors and MENA2050. The key conclusions are as follows.

**Conclusion 1:** The theoretical literature - most notably the Classical Liberal intellectual paradigm - provides us with a plausible set of reasons for thinking that economic integration can act as a vehicle for promoting peace.

**Conclusion 2:** The world's experience over the course of the last three centuries gives many examples of a positive association between economic integration and peaceful coexistence, supporting the theoretical predictions of the Classical Liberal paradigm.

**Conclusion 3:** The rhetoric of many policymakers in the MENA region - and those from outside it when talking about the MENA region - suggests a widespread belief that economic integration is a viable conduit for de-escalating conflict in the MENA region.

**Conclusion 4:** Experts generally but not unanimously find the idea that economic interlinkages increase the cost of war thereby disincentivizing it to be a plausible foundation for MENA-related proposals. However, applying this principle crudely - for example by insisting that two countries engaged in a violent conflict increase their mutual trade and investment - can be ineffective and may even be counterproductive. In other words, there exist important qualifications due to the perceived naivety of the Classical Liberal paradigm. These qualifications - some of which are universal, and some of which are specific to the MENA region - must be acknowledged. They include the need for a symmetric economic relationship, a higher degree of separation between economic and political elites than is currently found in most MENA countries, and a willingness to acknowledge historic injustices in tandem with a desire to deepen economic ties.

**Conclusion 5:** Experts generally agree with the idea that direct, personal contact can help people overcome negative stereotypes and soften their views about people from an "enemy country". However, maximizing the effectiveness of this approach requires embedding these relations in an attempt to tackle shared problems that are caused by external factors. Moreover, in the case of straightforward trade, it needs to occur in a manner that involves human contact, which is not a given in 2024 in light of electronic trade. An additional important qualifier is that even if personal contact between people can engender mutual affinity, the political

disconnect between policymakers - who make decisions about war - and ordinary people means that this affinity might not meaningfully affect decisions on violent conflict.



**Conclusion 6:** Experts generally believe that non-state actors - especially in the current configuration in the MENA region - are a disruptive force that limits the ability to use economic integration as a way of promoting peace.

**Conclusion 7:** Experts believe that the threat of economic dependencies being exploited in a conflict is a significant barrier to using economic integration as a vehicle for peace, in general and in the MENA region in particular. This affirms the importance of both building trust slowly, and of decoupling economic pillars from political ones.

**Conclusion 8:** Beyond the postwar European experience, experts cite ASEAN as a positive example that the MENA region should look to learn from as they use economic integration as a promoter of peace.

**Conclusion 9:** Experts generally agree with the proposition that a minimal level of security and trust is required for economic integration to function as a promoter of peace, and that in the MENA region, this threshold is frequently unmet.

**Conclusion 10:** Experts are generally pessimistic about the idea of using bilateral economic integration between Israel and Palestine as the departure point for a post-conflict reconciliation. They believe that little can be achieved unless Palestine is first given political sovereignty. An alternative approach would be regional economic integration, possibly spearheaded by a fresh generation of leaders for both sides.