

XVI Convegno SeSaMO

Università degli Studi di Cagliari  
Dipartimento di Scienze Politiche e Sociali

3-5 ottobre 2024



SOCIETÀ PER GLI STUDI SUL MEDIO ORIENTE

**TITOLO/TITLE:** Subsidies Versus Cash Transfers: Analyzing Reform Diffusion in the MENA Region

**PROPONENTE/I – PROPONENT/s:** MARIE VANNETZEL (CNRS-IREMAM)

**ABSTRACT (1500 parole/words):**

Since the 2011 Arab springs, a powerful discourse, carried by the international financial institutions and domestic regimes, has called for the renewal of 'social pacts' in many MENA countries, and has focused on a particular policy of redistribution: the state provision of universal consumer subsidies. Set up in the 1950s-1960s, they have been persistent until today. Despite past attempts, notably during the 1980-1990s IMF structural adjustment programs, governments have often resisted eliminating subsidies, supposedly for political reasons.

Yet, international institutions took the popular uprisings as a springboard for regional reform, and pressures have been increasing since then (Hanieh 2015; Vannetzel 2019; Thyen & Karadag 2021; Hussein et al. 2022). Consumer subsidies are denounced as unsustainable burdens on state budgets, inefficient safety nets, and a major cause of malnutrition and pollution. The MENA region has been presented as being particularly affected by the "corrosive" scourge of subsidies (WB, 2014; Sdravovich et al., 2014; Verme and Araar, 2017), compared to the rest of the world. While it raises many methodological and normative questions (how to calculate this amount, knowing that what different states label as "subsidies" and account as such varies substantially? In reference to which conceptions of social justice are subsidies considered unfair and regressive?), this framing has the cognitive effect of marking the specificity – and the urgency – of the "subsidy problem" in these countries.

In this panel, we attempt to scrutinize the dissemination of this urge for reform and the generative impacts it has on practices and conceptions of welfare in the region. In a critical approach to the "subsidy problem" doxa, we analyze this dissemination through the concept of "traveling model", as defined by Olivier de Sardan (2018, 4): "a standardized institutional intervention aimed at initiating a given social change, and based on a 'mechanism' and 'devices' supposed to have intrinsic properties capable of inducing this change in different implementation contexts". In this case, it is even possible to speak of a *double traveling model*, as the lifting of subsidies is linked to the parallel implementation of new programs of Conditional Cash Transfers (CCT). Promoted as a 'magic bullet' (Smith et al., 2014; Brooks 2015; Gentilini, 2016), the latter originated in Mexico in 1997, with the flagship program *Progresa*, and quickly expanded to other Latin American countries, then to Asia and Africa – and only lately in the MENA region (launching of *Takaful and Karama* in Egypt in 2015, creation of *Amen Social* in Tunisia in 2019, scaling up of *Tayssir* in Morocco in 2018 and of the NPTP in Lebanon in 2020, etc.).

Here, we intend to question the oversimplifying nature - and what it obscures -of the double 'subsidies-CCT' traveling model. We argue that envisioning this circulation as a smooth process, supported by the compliant strength of 'best practices' narratives and the conditionalities of donors' loans, is illusory. Traveling models do not always move that easily, and the efficacy of 'magic bullets' can be challenged in numerous ways. In fact, while many MENA countries have embarked on a process of moving away from generalized subsidies, the lifting of subsidies in each setting follows different and non-linear paths at different paces and involves different kinds of policies, institutions, and actors. On the other hand, the assumption that the regimes' fear of revolts or the lobbying of corporatist groups benefiting from subsidy rents would be the major political obstacles to the circulation of the 'subsidies-CCTs' model needs to be empirically discussed (Abdul Reda, Richter, Schmol, 2023)

This panel aims to unveil the ‘hidden parts of the subsidy iceberg’ – the countless social, economic and regulatory arrangements that subsidy systems encapsulate, and which are specific to each country. Two analytical axes are suggested for papers’ proposals (English or French):

The first axis explores the historical trajectories of reforms. Which successive sequences of reforms can be identified, and what are the effects of this chain of sequences? How do subsidy systems and new CCT programs integrate into historical settings of entwined welfare, economic, agricultural, industrial, commercial, and technological policies? How do specific political economies shape the conditions of diffusion of the ‘subsidies-CCTs’ traveling model?

The second axis investigates the grounded contexts of expertise and reform-making. To what extent do experts, decision-makers, and bureaucrats reproduce or modify these models? How do agents of/around subsidy systems act not necessarily to impede change, but to inflect the contours of reforms in certain ways, for specific reasons? Which ‘counter-conducts’ (Foucault, 2015) emerge from other parts of supply chains or from sociopolitical groups that challenge the reforms?

### References

- Abdul Reda A., T. Richter, M. Schmoll, 2023. *Subsidy Risk - The Political Risks of Subsidy Reform in the MENA region*, Research Program MENASP.
- Brooks, S.M. 2015. “Social Protection for the Poorest: The Adoption of Antipoverty Cash Transfer Programs in the Global South.” *Politics & Society* 43(4): 551-582.
- Foucault M. 2015. *Qu’est-ce que la critique ? suivi de La culture de soi*. Paris: Vrin.
- Gentilini, U. 2016. “Revisiting the ‘Cash versus Food’ Debate: New Evidence for an Old Puzzle?” *The World Bank Research Observer* (31) 1: 135–167.
- Hanieh, A. 2015. “Shifting Priorities or Business as Usual? Continuity and Change in the post-2011 IMF and World Bank Engagement with Tunisia, Morocco and Egypt.” *British Journal of Middle Eastern Studies* 42(1): 119-134.
- Hussein, S., et al. 2022. *Uncovered: The Role of the IMF in Shrinking the Social Protection*. Friedrich Ebert Stiftung, Tunis.
- Olivier de Sardan J-P., E. Piccoli. 2018. *Cash Transfers in Context: An Anthropological Perspective*. New-York: Berghahn Books.
- Thyen, K. and R. Karadag. 2021. “Between affordable welfare and affordable food: Internationalized food subsidy reforms in Egypt and Tunisia.” *Social Policy & Administration*: 1–16.
- Sdralevitch, C. et al. 2014. “Subsidy reform in the Middle East and North Africa: Recent progress and challenges ahead.” Washington D.C.: IMF.
- Smith, M.P. et al. 2014. “The Oligarchic Diffusion of Public Policy: Deploying the Mexican “Magic Bullet” to Combat Poverty in New York City.” *Urban Affairs Review* 50(1): 3-33.
- Vannetzel M. 2019. « Visées allogènes et endogènes de la réforme des subventions en Egypte », *Egypte Monde Arabe*, 20.
- Verme, P. and A. Araar. 2017. *The quest for subsidy reforms in the Middle East and North Africa region. A microsimulation approach to policy making*. Cham Switzerland: Springer Int.
- World Bank. 2014. “Corrosive Subsidies.” *Mena Economic Monitor*. Washington D.C.: World Bank.

### PROFILO ACCADEMICO DEL/DELLA/DEI/DELLE PROPONENTE/I – SHORT BIO OF PROPONENTS

Marie Vannetzel is a Research Fellow at the French National Center for Scientific Research (CNRS), affiliated to the Institute of Research and Study on the Arab and Islamic Worlds (IREMAM, Aix-Marseille University) and associate researcher at CEDEJ (Cairo). She has been a visiting teacher at the University of Cairo, Faculty of Economics and Political Science (2017-2022), and led the International Research Network EGYCLASS (2021-2023). She is now the coordinator of the ANR-funded program SUBLIME “Subsidies Lift in the Middle East and North Africa: Unveiling the politics of welfare in post-uprising societies” (2023-2026).

### INDIRIZZO/I EMAIL/EMAIL ADDRESSES:

Marie.vannetzel@gmail.com