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Economic Commission for Latin America and the Caribbean (ECLAC)
Economic Commission for Africa (ECA)

**High-Level Meeting on Beyond Populism: Economic Challenges
 and Opportunities in Democratic Transitions**
Rabat, 5-6 February 2013

AGENDA

Tuesday 5 February 2013

9-9.30 a.m. Introduction and keynote address

Message from His Majesty Mohammed VI King of Morocco
Abdallah Baha, Minister of State, Kingdom of Morocco

Opening remarks
Rima Khalaf, Executive Secretary, ESCWA

9.30-10 a.m. Break

Theme I: From Autocracy to Democracy: The Voices of the Many and Decisions of the Few

10-12 a.m. Session I: Restless Democrats: Managing Expectations beyond Populist Policies
Moderator: Noeleen Heyzer, Executive Secretary, ESCAP

(i) Windows of Opportunity: Constructing Developmental States in Democratic Transitions

The developmental state model, characterized by strong state intervention in shaping economic and social development agendas, has been successfully applied in a number of South-East Asian countries. Tangible positive results have been achieved in those countries in terms of steady and equitable economic growth. What can Arab Governments in countries undergoing political transition learn from that experience? Is the developmental state a model that they could emulate under prevalent conditions, and to what extent? What are the capacity-building measures that would enable state institutions to implement such a model? What are the needed social partnerships to achieve a democratic developmental state? What are the policies required to ensure that the resources available in Arab countries are channeled to meet the needs of the people?

Speaker: Korn Chatikavanij, Former Minister of Finance, Thailand

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(ii) Innovative Partnerships or a Game of Musical Chairs: The Public-Private Nexus

Countries in transition often face a J-curve pattern of growth in the short term as social and political unrest weighs down investor confidence, tourism and foreign direct investment. During this transitional period, Governments are pressed to take action with a view to triggering growth and maintaining basic standards of living, particularly for the most vulnerable populations. What roles should the State and the private sector play in times of economic transition? What kinds of partnerships can be envisaged and what mechanisms need to be put in place to enhance the role of the private sector, a key partner in the economic transition? How can it be transformed from an agent of cronyism to an engine of economic development? What reform measures, including policies regarding foreign direct investments, can level the playing field for a competitive private sector? What governance reforms can be quickly implemented to foster an independent functioning judiciary that ensures fairness and transparency in free market economies, mediates between parties and clearly outlines how contracts will be upheld? What short-term strategies should States adopt to combat corruption and organized crime, and prevent the emergence of oligarchies? How can parallel underground structures that may undermine a process of democratic transition be dismantled? Should the State be downsized or expanded?

Speaker: Rizal Ramli, Former Minister for Finance, Indonesia

(iii) Planting the Seeds for Democratic Success: The Economic and Fiscal Challenges for Countries in Transition

Countries undergoing political transition in the Arab region are facing considerable challenges including sluggish growth, worsening social conditions and heightened expectations of citizens who lead the uprisings. They are also facing a number of unique challenges including conflicting approaches to addressing the demand for inclusive economies and social justice. In this context, the financial sector will play a delicate and crucial role. What should be the role of Central Banks? What emergency policy measures should be undertaken to address specific fiscal and economic failures? How can the burden of recent market losses be distributed? How can confidence in state-owned banks, often closely associated to and controlled by previous regimes, be restored? Can Arab Governments ensure better access to finance for small and medium enterprises in this transitional period, while maintaining the confidence of investors and a close relationship with the financial sector? Is it really possible to have a pro-development and modern financial industry in countries in transition, with limited fiscal space and defunct industrial policies? How can the financial sector be transformed into an engine of growth and how can the risks associated with the global financial crisis be avoided?

Speaker: Fouad al Sanyoura, Former Prime Minister of Lebanon

12-12.30 p.m. Break

12.30-2.30 p.m. Session II: Growth and Social Equity: Policy Trade-Offs
Moderator: Antonio Prado, Deputy Executive Secretary, ECLAC

(i) Equitable Development of the People, for the People: Options for Public Finance

Arab countries undergoing political transition are facing unprecedented economic and fiscal challenges in the short and medium term, and must meet increasing demands for spending, particularly in social sectors. What economic and fiscal policy options are available in the short term to expand a tight fiscal space and address the increasing vulnerability of the populations of countries in transition? What distributional policies or instruments are possible and what trade-offs are necessary? Are taxes a feasible option? What kinds of short-term social protection mechanisms or

safety nets need to be put in place to ensure that vulnerable populations are getting the immediate support they need in education and health? How can Governments in countries undergoing political transition address the long-term structural impediments to such essential services as affordable housing, adequate financing to lenders, credit information systems and consistent property valuation approaches? How should States navigate between calling for fiscal austerity, privatization and trade liberalization, and containing the short-term impact on vulnerable populations and the long-term impact on middle classes? Should the sequencing of public financial management reforms be addressed in this period?

Speaker: Gouda Abdel-Khalek, Former Minister for Supply and Domestic Trade, Egypt

(ii) Building a Democracy of Citizens: The Right to Employment and Decent Work

Workers are demanding pay increases while employers are laying off staff or replacing regular staff with informal and cheaper labour. Some of those layoffs are also political. In parallel, high levels of youth unemployment are said to be one of the triggers of the Arab uprisings. The structure of youth unemployment varies across countries, however, questions remain the same: what policies can be immediately put in place to enhance the employment of youth and women? How do we safeguard workers from unjust practices? What are the main labour-market challenges during this period and what quick measures can be implemented to reduce the cost of labour mobility, within and across countries, and maintain necessary social protection mechanisms? What is the trade-off between short-term employment needs and long-term growth? What policies could be implemented to contain the public wage bill while increasing employment, particularly among the youth? What role can labour unions play in facilitating that process? Are wage subsidies possible in the context of shrinking state resources? Are public investment projects or short-term training programmes an option in Arab countries?

Speaker: Elena Salgado, Former Deputy Prime Minister of Spain

(iii) From the Street to the Political Arena: Islamist Parties between Ideology and Economic Policies

Unlike traditional political parties such as leftists, liberals, social democrats or conservatives, Islamist political parties are not defined through a particular economic vision. Yet, for the first time in recent political history, they have an opportunity to put forward an economic vision that includes the principles of social solidarity and justice embodied in the religious-ideological nexus that they espouse. What blend of Islamic principles and socioeconomic policies can redistribute wealth, maintain market economies and expand support for social welfare programmes? What fiscal instruments are available to realize such a vision? What are the principles or ethical precepts that are considered fundamental and what can be taken from other schools of thought? Is zakat to become mandatory and will it replace other systems of taxation or will it complement them? How will such parties deal with monopolies? How will key economic sectors such as non-religious tourism be reconciled with the principles of social conservatism?

Speaker: Numan Kurtulmuş, Deputy Chairman for Economic Affairs, Justice and Development Party, Turkey

2.30-3.30 p.m. Lunch

Theme II: External Support and National Sovereignty: Navigating the Minefield

3.30-5.30 p.m. Session III: External Support to Fledgling Democracies: A Blessing or a Curse?

*Moderator: Haytham Manna, Spokesperson for the Arab Commission for Human Rights
Syria*

(i) Empowered Democrats and Competing Demands: Managing Natural Resources

Experience has shown that the management of natural resources can either be a seed of conflict or a tool for national long-term prosperity. What are the challenges to the management of State assets, particularly in the aftermath of bloody conflicts, which were in some cases accompanied by decades of state-enforced ethnic and religious fissures woven into the national fabric? What are the available mechanisms for an equitable management of State assets and natural resources such as oil, gas and phosphates? How can Governments ensure equal access to economic opportunities and to the wealth of the nation? Should the privatization of State assets be considered during a transitional period and, if so, what form should it take? How should the role of international firms be handled and competing external interests mediated?

Speaker: Einar Steensnæs, Former Minister of Petroleum and Energy of Norway, Senior Advisor, Oslo Center for Peace and Human Rights

(ii) Mind the Gap: International Civil Society Organizations and State Sovereignty

Periods of transition are also periods of flux where the State control of institutions and borders is often in check. What role should international civil society organizations play in the transition to democracy and what are the boundaries of their interventions? How can their individual mandates and agendas match State regulations and the needs of populations? How can international organizations be held accountable for the needs of those they have come to support? How should financial support to local organizations be monitored?

Speaker: Houriya Mashour, Minister for Human Rights, Yemen

(iii) To Catch a Thief: Recuperating Stolen Assets

The recuperation of stolen assets has political, moral and economic imperatives for both asset lawful owners and receiving countries. Every year US\$1 trillion to US\$2 trillion are estimated to be illicitly transferred abroad, usually from developing to developed countries. Those flows are 10 times ODA and four times more than funds required to achieve the Millennium Development Goals. It is also estimated that Arab countries in transition totaled US\$130 billion to US\$150 billion in capital outflows over the past decade. Such an amount outweighs the financial pledges that were made at the Deauville G8 Summit and have not yet been disbursed. Moreover, stolen assets have huge opportunity costs in terms of foregone development and macroeconomic stability. However, asset recovery has turned out to be a very difficult task for both parties. What bilateral and international mechanisms need to be put in place to establish an effective framework of cooperation on that issue? How can requesting countries facilitate the job of requested countries? What is expected from the G8 and the international community after the Deauville G8 Summit?

Speaker: Bertrand Louis, Swiss Ambassador in Morocco

Dinner hosted by the Prime Minister of the Kingdom of Morocco

Wednesday 6 February 2013

9-11 a.m. Session IV: One People, Different Identities: Regional Integration and Cooperation
Moderator: Tarik Mitri, Special Representative of Secretary-General to Libya

(i) Returns on Investment: National Interest, Official Development Assistance (ODA) and External Loans

Significant promises of aid to Arab countries undergoing political transition, the Deauville Partnership for instance, did not materialize. Moreover, economic populism impacted negotiations with international agencies in some countries, such as Egypt, while in countries like Morocco, ODA was meant to support government efforts to facilitate access to services. What role can ODA play in transitions? Does it hinder or facilitate the transition to democracy? How can external influence be contained when financial support is indispensable? How do conditionalities facilitate or hamper development assistance in transitions? Should existing assistance by donor agencies be reprogrammed and, if so, according to whose priorities? How should external debt be handled and what measures can be taken to ease the burden on economies of countries in transition? How should rating agencies be dealt with?

Speaker: Mohamed Najib Boulif, Delegate Minister for General Affairs and Governance, Morocco

(ii) The European Union and Regional Integration: Models and Policy Options

The European model has often been taken as a benchmark for regional integration. Despite the particularities of the European experience that aimed for comprehensive integration, what lessons can be learned from it? How can the European Union support further regional integration during the current transition in Arab countries? What are the options for further cooperation between the two regions and what roles could financial institutions such as the European Bank for Reconstruction and Development play, as they revise their policies and priorities for the provision of support?

Speaker: Carlos Westendorp, Secretary General, Club de Madrid

(iii) Arab Uprisings and the Spillover Effect

Arab uprisings and socioeconomic unrest have also affected other countries in the region in a number of ways that include return migration, population displacements, reduction in remittances and other economic transfers. It has also impacted regional business confidence. What different measures need to be implemented to address those impacts? Can a regional platform be built to mitigate some of them?

Speaker: Ziad Fariz, Governor of the Central Bank of Jordan and Former Deputy Prime Minister, Jordan

11-11.30 a.m. Break

11.30-1.30 p.m. Round-table Discussion: People Power: Translating Political Influence into Economic Vision and Action

Moderator: Rima Khalaf, Executive Secretary, ESCWA

The political profile of the countries of the region has changed dramatically as new and sometimes previously banned parties have been handed the reins of power, following sweeping popular protests and electoral victories. Many of the newly elected officials have, for decades, called for more open and transparent systems of political accountability and for more balanced economic agendas, based on principles of social justice and solidarity. Electoral promises have included anti-corruption strategies and actions, promises of equitable economic opportunities, the preservation of personal and civic liberties and long-term development priorities. This round-table discussion will focus on the following issues: how can Governments use the momentous political support they enjoy during this transitional period to realize their respective visions? How will they manage the short-term expectations of their constituents versus the long-term development needs of their countries? How will the structural socioeconomic problems of the individual countries be tackled? Will the policies implemented reflect public vows to promote social justice? Will the commitment to free-market capitalism pursued by the previous regimes be maintained? What potential complementary measures could be introduced to improve the existing models? What roles should be assumed by the State and the private sector? How can regional development and cooperation contribute to the long-term growth of those countries?

Speakers

- Morocco, *Idriss Azami Al-Idrissi, Minister in charge of the Budget*
- Libya, *Mahmoud Gebril, President of the National Forces Alliance, Former Prime Minister of Libya*
- Jordan, *Jawad Annani, President of the Economic and Social Council of Jordan, Former Deputy Prime Minister*
- Tunisia, *Ridha Saidi, State Minister for Economic and Social Affairs*

1.30-2.30 p.m. Lunch