



Shared Prosperity Dignified Life



Concept Note and Agenda

Expert Group Meeting on Arab Development Challenges

1. Background

Over the past three decades, the developmental path in the Arab region has been disrupted by widening gaps in governance that amplified the intensity of political instability and conflict. An enabling governance embeds the concepts of human freedom and social justice that can be elucidated as both intrinsic and instrumental capabilities in the human development framework.

The capability approach offers a comprehensive conceptual framework to analyze governance challenges as well as other human-development related conundrums. Many Arab countries have made quantitative achievements on various development goals but traditional measures have largely overlooked the quality of those achievements. Hence, ESCWA's World Development Challenges Report proposes a new global Development Challenges Index (DCI) that measures shortfalls in achievements in three key and interdependent areas: quality-adjusted human development, environmental sustainability and good governance.

The case for integrating these aspects is strong. Addressing deficits in government effectiveness and democratic governance is crucial to resuming and sustaining progress in quality human development achievements. SDG 16 makes a strong case for the inclusion of governance as a measure of progress.

Environmental sustainability is also an important operating condition for human development. Sen and Anand endeavoured to address the integration of sustainability and human development using a theoretical and systematic approach. They argued that sustainability is essentially intertwined with intergenerational equity.

Applying this new index, the flagship report finds that nearly half of the world's population still experiences high or very high development challenges and that no region has reached a minimal level of quality-adjusted human development challenges, not even the world's two most developed regions, Europe and North America. It also found that environmental sustainability remains a major global challenge in both developed and developing regions. The World Development Challenges Report also

shows that the Arab region is the second most challenged region globally on the overall index with significant shortfalls in the governance and quality of education indicators which remain higher than the world average.

Building on the **World Development Challenges Report**, ESCWA's forthcoming **report on Arab Development Challenges** zooms in on these development challenges of the region identified in the global report providing more in depth country level analyses and results. However, the report also sheds light on development inequalities challenges that overlap with and influence the DCI. The latter is also measured using an innovative measurement framework introduced by ESCWA in a technical background paper. These aspects (multidimensional inequality and the three dimensions of the DCI) would then form the basis for a political economy narrative that aims to interpret the stylized facts and results of applying these innovative measurement frameworks. Emphasis is directed to the intricate links between governance, conflict, and the role of the state to rethink existing narratives, particularly in conflict-affected countries, in a way that can enhance government effectiveness. However, the ADCR will adopt a slightly revised index to account for the water scarcity challenge as it poses a major constraint on current and future development achievements in most Arab countries.

Finally, the report does not stop at the diagnostic level but also aims to give entry points for fundamental shifts in development policies. The degree to which economic structural transformation and regional collaboration can be deployed to address these national and regional development challenges will also be discussed in the EGM.

2. EGM Objectives

This Expert Group Meeting (EGM) aims to bring together leading regional experts to inform the methodology, structure and analysis of initial findings and statistical results of the Arab Development Challenges report for Arab countries. The EGM will also serve as an opportunity to discuss, provide input, and discuss policy options for this group of Arab countries. The following themes will be discussed:

- A. Conflict-Development nexus:** How do vicious conflict cycles feed on development challenges? In light of the current geopolitical tensions, prolonged conflict, and emerging fragility, does an enhanced governance-development association pave the way for favorable human development outcomes?
- B. Development challenges in Arab countries: key findings and stylized facts** How does the Arab region fare in the face of developmental challenges? Have Arab countries progressed since the year 2000, or have been facing a stagnation in overcoming these challenges? What has been the impact of the Arab uprisings? What are the implications for conflict affected countries? Which pillar plays the most significant role in contributing to the developmental challenges in the Arab world?
- C. Development inequalities in Arab countries** the central theme is to identify the subnational inequalities in exposure to these challenges. A number of indicators focusing on vertical and horizontal inequalities will be reviewed. Areas where the Arab region underperform relative to other regions will be highlighted also taking into account sub-regional nuances. The main question is: what are the main inequality gaps which policy makers need to address based on the DII? How link these gaps and their dynamics with the trends in the development challenges based on the DCI? Is the region getting more equally deprived in the aftermath of multiple and overlapping crises?

- D. Structural transformation challenges:** What are the implications of liberal economic policies adopted over the past few decades and how do they interplay with these key development stylized facts? The question of why Arab countries failed to transform structurally has been covered extensively in the economic and political economy literature (see for example [ESCWA, 2017](#)). The EGM will discuss a more recent innovative measurement approach to assess the resilience of Arab economies using global metrics on trade, agriculture, economic complexity, innovation, debt sustainability, among others. The key question is whether the Arab economies can sustain their low level of economic resilience in the medium and long term.
- E. Political economy: reform and role of the state if governance challenges are the main policy priority,** how can improvements in governance contribute to post-conflict recovery? Which governance reforms first and why? What is the role of the state in Arab conflict-affected countries? More specifically, can the sustained trend in reducing public employment result in a higher governance effectiveness? Is it time to rethink the narrative, especially for conflict affected countries?
- F. Structural transformation and regionalism:** Can enhanced national economic diversification policies and regional cooperation help address these intensified challenges more effectively? If so through which channels and what needs to be done first to promote this line of thinking? What is the role of ESCWA?

3. Organization, format, venue, and dates

To this end, ESCWA Governance and Conflict Prevention Cluster is organizing a hybrid EGM on the Arab Development Challenges report, to be held at ESCWA premises, UN-House in Beirut – Lebanon and online on Tuesday, 25 June, 2024.

The working language of the EGM will be English.

4. Tentative Agenda of the EGM

<i>Time (Beirut Time)</i>	<i>Sessions</i>
08:30 – 09:00	Registration
09:00 – 09:15	Opening Session Welcome remarks by Mr. Tarik Alami
09:15-10:30	Session 1: Arab Development Challenges: Key Findings Presenters: Mr. Khalid Abu Ismail Moderator: Mr. Tarik Alami Discussants: Mr. Gilbert Achkar, Mr. Adeel Malik and Mr. Zafiris Tzannatos
<i>Coffee Break</i>	
10:45-11:30	Session 2: Arab Development Challenges: A Closer Look at the Metrics Presenters: Ms. Maria Hitti and Mr. Abdulkarim Jaafar Moderator: Mr. Samir Makdissi Discussants: Ms. Ghada Tabbah, Mr. Ali Fakhri and Mr. Walid Marrouch
11:30-12:30	Session 3: Economic Resilience in Arab Countries Presenters: Mr. Raffaele Bertini and Mr. Ibrahim AlSoussy Moderator: Mr. Salim Araji Discussants: Mr. Vito Intini and Mr. Ibrahim Saif
<i>Lunch Break</i>	
1:30-2:30	Session 4: Conflict, Governance and Development Nexus in the Arab Region Presenters: Mr. Youssef Chaitani and Mr. Youness Abouyoub (online) Moderator: Ms. Dina Melhem Discussants: Mr. Sami Nader, Mr. Imad Salamey and Mr. Khalid Zakaria
2:30-3:30	Session 5: The Political Economy of an Ailing Arab Middle Class Presenter: Ms. Wafaa El Baba Moderator: Mr. Ossama Safa Discussants: Mr. Makram Oweiss, Mr. Nader Kabbani and Mr. Ghassan Dibeh
<i>Coffee Break</i>	
3:45-4:45	Session 6: What Needs to Be Done? Presenter: Mr. Khalid Abu-Ismael Moderator: Ms. Noha El Mikkawy Discussants: Mr. Adeel Malik and Mr. Mohammad Pournik
4:45	Closing Remarks by Mr. Tarik Alami