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Thank you for inviting me here and for organising this discussion. As you laid out in your introduction, the Middle East comprises different groups of countries going through very different experiences at the moment. There are countries in crisis, countries that are oil rich and have a different set of issues and those that are what I would call countries in transition, mostly the oil-importing countries of Tunisia, Morocco, Jordan and Egypt. I would like to focus particularly on the oil-importing countries in the region as I think that they are going through a very difficult transition which has almost reached a turning point. We know that three years ago these countries were hit by three kinds of shocks. Their principal trading partners – Europe – went into stagnation. There was conflict, first with Libya and then Syria, which had spillover effects on the others, and the impact of Syria on Jordan and Lebanon is already quite significant. In parallel, there was domestic political change, sometimes coming with upheaval, which has also turned out to be more protracted and contentious than anticipated. Responding to these crises, the Governments tried to calm the situation by spending more on jobs, subsidising energy and food, and granting public sector wage increases.

Three years later, where are we? Where we are is that most of these countries find themselves between a rock and a hard place. On the one hand, their populations are impatient because they have not seen the gains from the changes that that were anticipating - the political changes that they had hoped for. Today, unemployment is about 2 million young people more in these countries than was the case three years ago and those that are working have seen their incomes stagnate. Private sector confidence is still distant and the private sector is still waiting for things to settle down. The recovery is therefore further delayed. In addition, since they have tried to spend their way through this, the financial buffers are partly depleted and the ability to continue to finance the subsidy bills, which they have done for the past three years, is now much more constrained. Yet these Governments find it very hard to take the decisions that would transfer money from subsidies to creating jobs, which is the number one priority at the moment for young people. Societies have become so polarised politically that this is also spilling over in terms of the ability of Governments to take difficult decisions.

What can we therefore do now to go forward? I think that there are three things that can be done. Firstly, there has to be a focus on trying to give young people in particular some hope by giving them opportunities for employment in the short term. That means reallocating some spending towards job creation. Some of this will have to be public sector spending in the short term because the private sector is simply not there. However, it also means having additional help from the rest of the world in trying to match what Governments themselves are able to do to create jobs.

Secondly, there has to be a discussion about what kind of future economic model will come after the stabilisation phase. The reason why people came out onto the streets three years ago, apart from a political sense of wanting more dignity and fairness, was because there were not enough jobs being created and that the jobs that were being created were going to people who were connected, rather than having the gains of growth being shared more broadly. That discussion about the future is still very much in its early stages because Governments are focussed primarily on stabilising the macroeconomy rather than on changing the underlying economic structure. This is the second element that I think needs to be dealt with.

Thirdly, it is very important to broaden out the conversation from Government to include other parts of society. Increasingly in these societies, it is not possible, no matter how well thought through your economic agenda or economic plan, to try to impose that rather than building a consensus around it. To build consensus today is particularly hard because of the degree of polarisation in these societies, but unless you build a common economic agenda, even when there are divisions about other political and societal dimensions, it will be very hard to move from stabilisation to growth. I therefore wanted to focus on those issues.

Beyond the issues facing the countries in transition, there is of course what is going on in Syria, which is a tragedy for the people in Syria, and the economic consequences of which are already manifest for them. However, I think that the other panellists will be speaking more directly on that issue.