

Economic and Social Commission for Western Asia

Contextualizing the Poverty Challenge in the Arab

Panel on ways to rethink the commitment to ending poverty in the region Region

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UNITED NATIONS

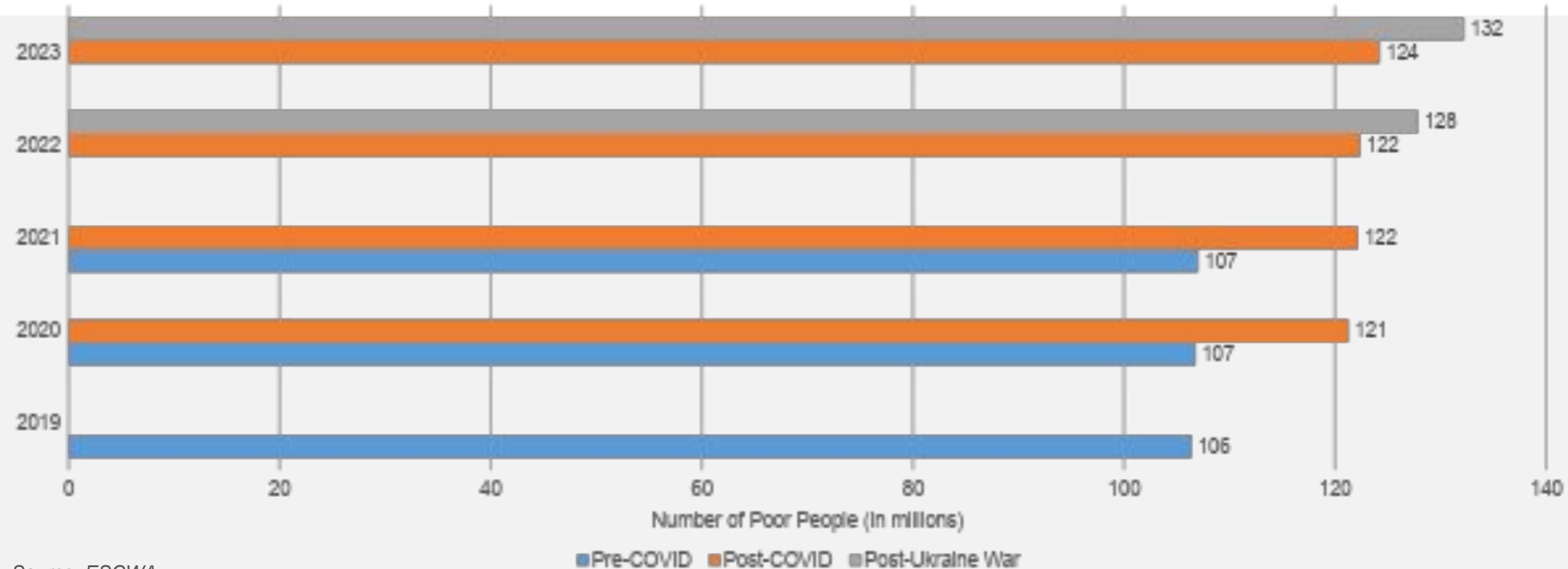
الشرق
ESCWA

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Around 130 million poor, 25-30 million more than pre-2019 estimate

Number of poor people in the Arab region (in millions)



Source: ESCWA calculations

A significant share of the Arab region's population still lives in difficult, and in some cases deteriorating, conditions.

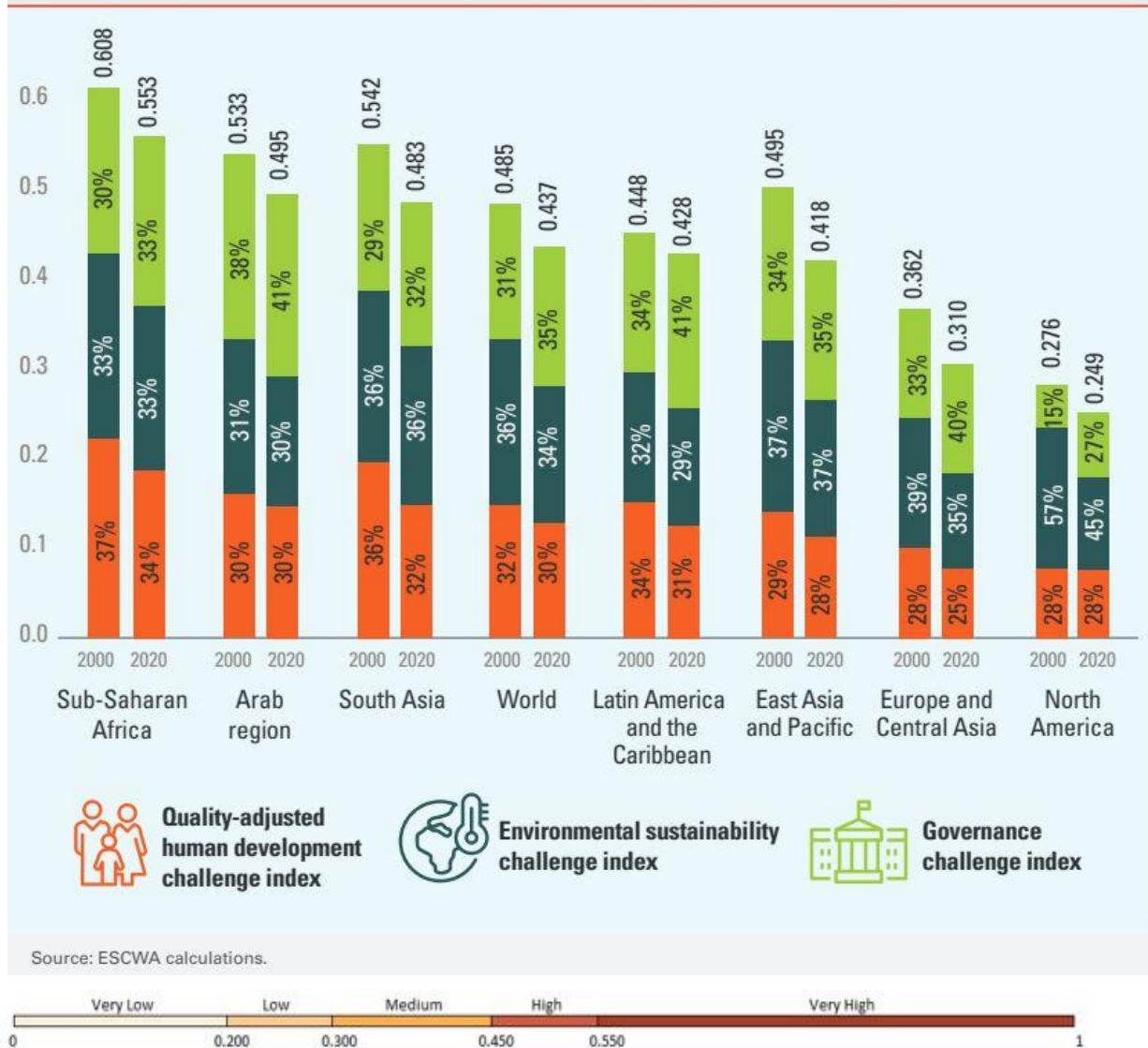
The Arab region is the second most challenged region globally.

A large gap separates the Arab region, sub-Saharan Africa and South Asia from their nearest neighbours, Latin America and the Caribbean and East Asia and the Pacific.

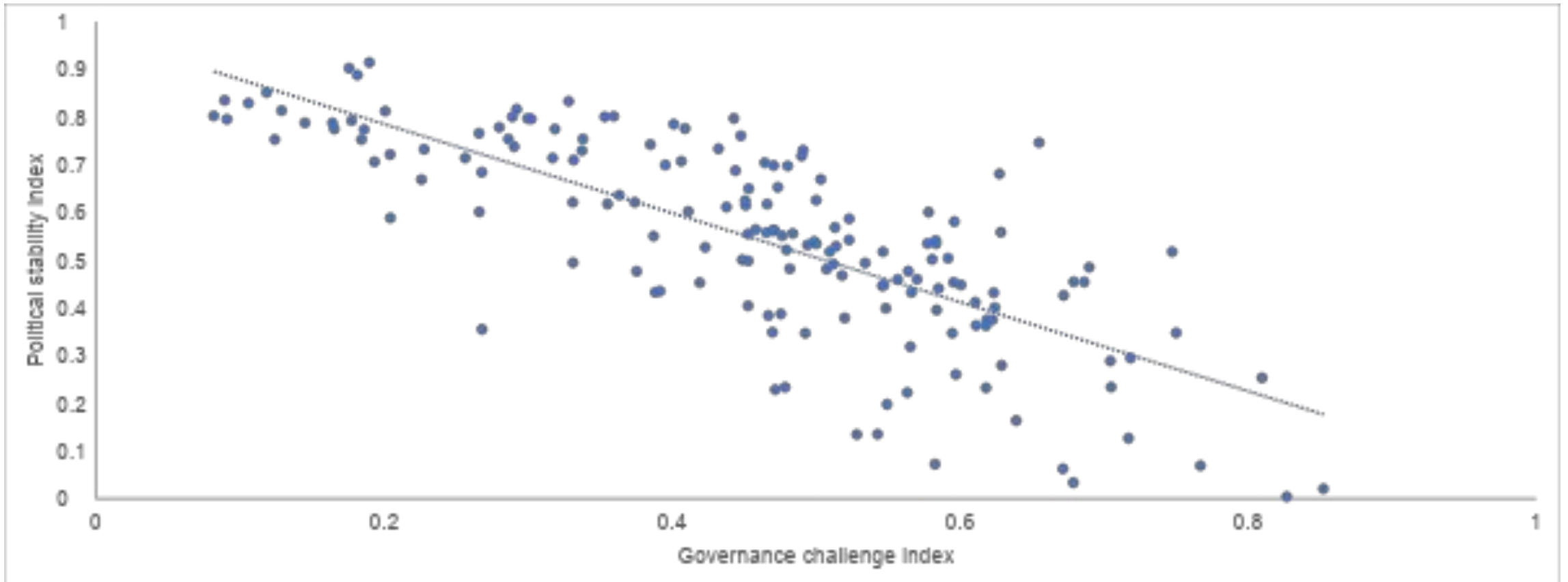
A modest reduction in development challenges is observed in the Arab region.

The Arab region has significant shortfalls in the governance dimension as represented by the high and rising share of the governance challenge in the DCI.

Figure 2. DCI regional scores and shares of the three challenges, 2000 and 2020



The governance challenge also shows high association with political stability



My 2 cents on rethinking commitment to end poverty and what needs to be done:

1. **These poverty trends and development challenges are not unexpected.** All are closely associated with rentier political economy (and its governance structures)+ economic reform policies (stabilization without structural transformation).
2. We cannot and should not rethink the commitment to end extreme poverty but **something needs to happen.** Technical fiscal solutions are easy (revenue collection+ redistribution + expenditure switching) but reform is not just a technical issue. **It's a political economy challenge that requires a new social contract with major governance and economic policy reforms.**
3. One major aspect of any new deal (at national level) is a symbiotic relation between democratic governance and government effectiveness.
4. Last point: Arab countries can witness major productivity gains if this “new deal” is associated with a **regional economic cooperation framework which can also** convert construction/reconstruction from challenge into opportunity.



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Thank you