

**Economic and Social Commission for Western Asia (ESCWA)****REPORT****EXPERT GROUP MEETING ON MONITORING PROGRESS ON GOVERNANCE
AMID ARAB POLITICAL TRANSFORMATION
BEIRUT, 11-12 JUNE 2014****Summary**

The Expert Group Meeting on Monitoring Progress on Governance amid Arab Political Transformation, organized by the Economic and Social Commission for Western Asia (ESCWA) in Beirut, Lebanon, on 11-12 June 2014, brought together international and regional experts, and senior government officials, who agreed that progress towards accountable, transparent and participatory governance in the region required a good monitoring tool at the national level. Such a tool would be instrumental in enabling decision-makers to implement the policies and programmes needed to improve governance.

Participants agreed that ESCWA was ideally placed to assist by producing a biannual report on the matter and helping to put in place the infrastructure in the public sector and central statistical organizations (CSOs) to ensure that such a process for monitoring governance was sustainable and remained nationally owned. More importantly, the participation of ESCWA would ensure that Arab regional specificities were taken into consideration when policy recommendations on governance reform were made.

Experts studied the methodology suggested by ESCWA and the principle measurement challenges. The main recommendation is to lean towards a simple, transparent methodology focused on action to be taken and the identification of policy initiatives that would improve governance. This may require reducing the scope of indicators, with a limited number of pillars - the rest could be added later. Another concern is how to combine quantitative and qualitative information to provide a complete picture of the state of governance in each country considered.

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Introduction

1. The uprisings that engulfed several Arab countries at the beginning of 2011 were indicative of the chronic need for governance reform. Governance should be geared to the attainment of freedom, dignity and social justice, as demanded by protesters in Tunisia, Egypt, Yemen, Libya and other Arab countries. The protests unleashed different processes of political transformation, some of which were marred by political polarization. Others were derailed by conflict.
2. The transition to accountable, participatory and transparent forms of governance is fraught with risks and challenges and has social, economic and political dimensions. The roots of those challenges lie in the structure of highly centralized States in which political and economic decision-making is controlled by a small ruling elite, the public sector is bloated and inefficient, and the social, economic and political status quo is maintained by the security forces.
3. A “youth bulge” aspiring to social inclusion and participation in the work force is placing enormous pressure on existing systems of governance. Furthermore, the outlook and views of those young people are changing. The shifting dynamics of religiosity and family structure, ease of access to information and networking through social media are added factors. Other issues, such as the separation of religion from State, the role of the security establishment, and ethnic and sectarian tensions, also affect transition.
4. In order to embark on the long and difficult road to democracy, broad reforms must be undertaken. Past failures can shed light on a new participatory process, which should be set in motion and constantly monitored by all political and social groups, and common citizens.
5. Before progress in democratization can be monitored, the concept of democracy and the means for assessing it must be defined. To that end, country-specific indicators must be produced, as opposed to most of the hitherto widely used governance indicators. Equally importantly, those indicators should reflect the specific context of Arab countries in transition and analyze the governance challenges posed by the transformative process recently started in these countries.
6. The expert group meeting benefited from an ESCWA study by the Emerging and Conflict-Related Issues Division (ECRI), the Arab Governance Report. The meeting was focused largely on this draft report, which was divided into three parts and could serve as a model for future such reports. The first part analyses key issues requiring attention in a process of transition. The second focuses on the methodological framework and analyses the key governance pillars for the Arab countries in transition. The third part examines potential regional mechanisms for improved governance-based reform in those countries.
7. The meeting was organized by ESCWA in Beirut. It brought together a wide range of local, regional and international experts from ESCWA member countries and beyond, including from the United Nations, the public sector and civil society organizations, and academics.

I. RECOMMENDATIONS

8. At the end of the meeting, participants agreed on the following recommendations:
 - (a) Scholars and experts working on development, including good governance in the Arab region, need to look more closely at the relationship between politics and economics;
 - (b) A tool for the periodic monitoring of governance challenges and opportunities in Arab countries in political transformation will be useful, but the matter of the availability of data must be addressed;

(c) ESCWA should launch a programme in target countries to enhance their capacity to gather and analyze data, thereby ensuring national ownership for the monitoring tool, the availability of the necessary human resources and, ultimately, the scheme's viability;

(d) Quantitative analysis is important, but qualitative analysis also plays a key role in scientific research;

(e) More attention should be paid to the neighbourhood effect when analyzing reform and/or monitoring progress in good governance in the Arab region;

(f) Measuring governance is arduous and confusion often arises in relation to its definition and conceptualization. In order to measure good governance, institutions should be examined separately from policies and, especially, from outcomes. The definition of governance should be simplified by focusing on the measurement of institutional (formal and informal) quality, and investigating separately the most relevant outcomes;

(g) Institutions shape outcomes. Therefore, institutions and their professional capacity should be studied before outcomes. Such studies could, for the sake of simplicity, be limited to examining economic management, corruption and provision of public services;

(h) No detailed study has yet been carried out to measure the development of institutions in a way that separates independent from dependent variables. Some work has been done on a handful of factors relating to governance in 16 countries, but it has not focused on the Middle East or countries undergoing democratic transition;

(i) Qualitative methods might be used to explain coding procedures but quantitative methods should be kept simple, thereby contributing to the transparency of the resulting report, given that a broader audience will better understand a simple methodology. Indicators should be clearly defined and be "drivers of change";

(j) An important question raised during the meeting was: Who does the coding? Should the working group in question use one team in order to enhance reliability, or employ local experts with a view to reinforcing the legitimacy of their efforts? It was concluded that justification needed to be provided for adopting either approach. There has been a tendency in democracy assessment to use as much local expertise as possible, but this can lead to problems in terms of inter-coder reliability;

(k) National partners at times take issue with surveys and resist sensitive questions and indicators, which can raise a host of difficulties. A decision will be needed on whether only existing or new data should be incorporated into the Arab Governance Report. Quantitative and qualitative measures will need to be combined and country specific indicators should be included;

(l) It was noted at the meeting that the proliferation of the informal sector in the Arab region was difficult to measure, and that many indicators merely considered access to public services, without assessing their quality.

II. DISCUSSION OF TOPICS

9. The following topics were discussed on the basis of the draft Arab Governance Report:

- (a) The neighbourhood effect, trends of transition and resulting political dynamics;
- (b) Why is there a need for an Arab Governance Report?
- (c) Methodology on monitoring progress of governance in the Arab region: A proposal;
- (d) The problematics and priority areas for facilitating transitions.

(a) *The neighbourhood effect, trends of transition and resulting political dynamics*

10. A country's neighbourhood influences its democratic transition process. Peaceful neighbourhoods weaken autocracies and a decrease in perceived and real threats is often followed by democratization. A closer look at the concept of the neighbourhood effect reveals four essential components: Policies, events and outcomes originating in the neighbourhood; domestic variables (political, social, economic and security aspects); channels of transmission; and the nature of the neighbourhood itself. By way of example, the matter of Syrian refugees in Lebanon was discussed. It was suggested that they rendered the Arab region especially vulnerable to turmoil. Democratic deficits, insecurity and inadequate development were considered. The similarities in the dynamics of the conflicts in Syria and Iraq were cited as further examples of the emerging neighbourhood effect.

11. Experts argued that the 20th century State was being dismantled. When pressure on a State was constant, it might appear from the outside to be stable even though internal tension was high. One participant suggested that there were two possibilities in such a case: Either to relieve the pressure or stabilize the State again. The trend in the 20th century of focusing on stability had favoured the latter option. Experts noted that Syria had been considered a strong State and Lebanon a failed one. As one participant said, however, the tension in Syria had long been clear to insiders. Experts said that the Syrian conflict had led some Syrians to desire, as a matter of priority, stability regardless of the price or regime in place.

12. Experts then turned to the issue of a conflict-prone governance system based on rents and sustaining itself by corruption. Although corruption appeared difficult to overcome, it was important to start with what was feasible. The fight against corruption rested on three pillars: Prevention, law enforcement and the recovery of stolen assets. Efforts to tackle corruption were hampered by a lack of political will, technical capacity, infrastructure, human resources, and trust between NGOs and national authorities, as well as the failure of the private sector to participate in anti-corruption plans.

13. Decentralization was discussed as a means of reducing corruption, enhancing the equitable delivery of essential services and boosting participation in decision-making. Some experts considered political bargaining to be the key to successful decentralization, which was an essential component of a sustainable transition to democracy. Political accountability was important in the provision of better services. Many essential services could be delivered by local authorities but the degree of decentralization depended on the success of negotiations between local and central government. The example of Tunisia had shown that democratization preceded decentralization and was accompanied by the emergence of political parties. The process of bargaining on what mandates to give to local governments came later. The importance of transfer systems for a fair distribution of resources was highlighted. Lessons could be learned from the complex situations in Iraq, Libya, Syria and Tunisia, where there were no automatic transfer systems and local capacities remained inadequate.

14. Displacement of people due to conflict had placed enormous strain on local communities in Lebanon, Iraq and Jordan. Citing the example of Syrian and Palestinian refugees in Lebanon, experts argued that, given the protracted nature of conflicts in the region, governance of refugees without consideration of development would only exacerbate their suffering. As a result, local and national governance systems for security and other essential services, which had already been pushed beyond breaking point, would come under still more strain. Experts stressed that handling the refugee crisis as a security issue was not the solution. Refugees should be given an opportunity to be heard at conferences. As they were the civilians affected, they might be able to provide practical solutions.

15. With regard to digital media illiteracy and autocracy as a challenge to democratic transformation, it was underlined that critical consumers had to learn to interpret the media and understand underlying political interests. Individuals and communities should be encouraged to participate actively in global political discussion. Engagement with the digital media was new to the Arab world and required development.

(b) *Why is there a need for an Arab Governance Report?*

16. During discussion on the need for an Arab Governance Report, questions were raised regarding the role of governance in development. It was agreed that such a report would be a starting point. Cultural, economic and political empowerment were seen as key components of democratic governance. Democratic transition was a gradual process and, of its three stages (liberalization, transition and consolidation), the latter was the most difficult.

17. Although complex and imperfect, governance indicators could furnish new policy options. It was concluded that the general public was more interested in a strong economy than democracy. The failure to address gender issues in the Arab Governance Report and the role that regional commissions could play as a regional forum were underlined. Much remained to be done on accountability. Transition needed to be examined on a country-by-country basis, as no single form of governance could be applied universally. The importance of capacity-building for national central statistical organizations, think tanks and similar bodies was also stressed.

(c) *Methodology on monitoring progress of governance in the Arab region: A proposal*

18. It emerged from debate on methodology that simple, transparent statistical procedures that could be easily grasped by readers should be employed instead of complicated methods that might detract from the main objectives of the governance indicator. Actionability was key: there should be a direct link between indicators and policy measures. That was particularly important because the main aim of the indicators was to provide a tool for identifying bottlenecks and problem areas in governance that were susceptible to corrective policy initiatives. Consideration should be given to how results were presented. Country rankings should be avoided and preference given to detailed country presentations highlighting strong and weak aspects in terms of governance.

19. Existing variables for use as building blocks of the governance indicator combined inputs, processes and outcome measures. This was problematic, as mixing them would not only create a conceptually weak indicator, but would also be difficult to act on.

20. Even after carefully selecting indicators, many facets of governance would remain difficult to measure quantitatively. They would require the incorporation of qualitative information, possibly in the form of “country chapters”. Combining qualitative and quantitative information meaningfully, while maintaining statistical soundness, posed a particular challenge.

21. It was suggested that, at least during the initial phase of the publication, only the main pillars should be highlighted. The remainder could be added later. It was also recommended that more attention should be paid to human rights and gender issues. Other matters, such as institutional effectiveness, should be treated with care, because they encompassed many different areas.

22. A range of other comments, for example related to potential methods of aggregation or the treatment of missing values, were also discussed. They would be fed into the construction of the governance indicator in future editions of the report.

(d) *The problematics and priority areas for facilitating transitions*

23. Turmoil in the Arab region has led to the re-emergence of “hybrid regimes”, characterized in great measure, according to experts, by political polarization and sectarian powers. Three challenges of regime transition were emphasized at the meeting. The first included the organization of elections after the fall of authoritarian regimes, negotiations among members of the elite, and the building of viable political party systems. Next came political polarization, which had to be tackled in order to minimize the propensity for instability and conflict, and finally the need to establish independent social movements. It was further noted that most political parties in the Arab region were elite-based and inherently weak. Often relying on individual

personalities, they failed to include the wider public in party politics. Social movements suffered in the course of transformation, losing autonomy in the face of powerful political parties. They also fell victim to coercion by and competition from a new breed of parallel State-linked NGOs. Questions were raised on how to account for the pervasive influence of institutions, such as State security organizations, performing functions for which they had no mandate. The Middle East had yet to experience the kind of democratic transition taking place in Eastern European countries, which were benefiting from assistance from their Western European neighbours.

24. Experts agreed that there could be no democratic governance without civil society. While the intellectual elite, given its expertise, was important, room needed to be made to integrate most, if not all, segments of society. Participants stressed that Arab societies had always been active in human rights, women's liberation movements and other related causes, and that such activism had developed rapidly over the previous century. However, while people knew what to oppose, they did not know how to articulate their claims. The lack of accountability and social justice was another key issue. Civil society was faced by the question of how it could reintroduce good governance into institutions at the regional level. There was a perception that new waves of repression were sweeping across the region. The number of actors involved served to complicate matters further. Conflicts were financed and supported from within and beyond the region, making it difficult to look at any one country in isolation. Regional and international considerations should be taken into account.

25. Citing the example of political transition in Tunisia, it was highlighted that the key to successful transformation lay in inclusive national dialogue. A gradual process that included minorities and small communities in Tunisia, supported by international organizations, had been crowned with success. That different social groups had differing ideas was natural but debate led to negotiations, which in turn led to compromises. Groups in Tunisia taking in youth, older generations and even a range of extremist groups had come together. The experts discussed various elements of democratic transition that had been addressed in the Constitution, including decentralization, transitional justice, national reconciliation, youth participation and a quota for women in the National Assembly. Of the current 90 members of Parliament, 43 were woman. Experts concluded that revolutions often did not lead to democracy, for the establishment of the appropriate institutions often lagged well behind high expectations.

26. A mixture of optimism and pessimism marked the experts' discussion of democratization. On the one hand, it was observed that the creation of democratic constitutions was obstructed by a tendency to invest presidents with significant rights and privileges, which was not conducive to democratization. On the other, optimists pointed out that the uprisings in some Arab countries had brought with them a new dynamic even if expectations had not been fulfilled. It was pointed out that hybrid regimes (lying between democracy and autocracy) could be taking root in the region. There was agreement that elections had not proven to be synonymous with democracy. In some cases they had resulted in large majorities and in others they had not taken place at all. The experts stressed that checks and balances were essential if institutions were to be effective. Other issues raised included the question of the willingness and readiness for an inclusive political process, the obstacle posed to democratization by weak public institutions, and the varying degrees of societal damage caused by the history and degree of autocratic rule experienced by any given country.

27. In discussing tools for transition, experts underlined the need for media access, an inclusive approach and the participation of women. It was recommended that international organizations should consider the broad ramifications of transition, and not merely elections, in order to more effectively support the process of democratization. Political participation must be planned. Infrastructure had to be put in place in order to deal with spoilers. Historical restrictions on civil society should not be underestimated.

III. OBJECTIVES

28. The objectives of the Expert Group Meeting were to:

(a) Examine transition trends in the Arab region and the dynamics inhibiting the development of a participatory, accountable and transparent system of governance;

(b) Review and make recommendations on an assessment tool (Arab Governance Report), prepared by ESCWA to monitor progress on governance;

(c) Contribute to the dialogue on governance reform in the Arab region, in particular by setting up mechanisms and networks to monitor and promote reform;

(d) Provide advice on the setting of reform standards in the context of political transition.

IV. ATTENDANCE AND WORK PROGRAMME

A. VENUE AND DATE

29. The Expert Group Meeting on Monitoring Progress on Governance amid Arab Political Transformation was held in Beirut on 11-12 June 2014.

B. ATTENDANCE

30. The meeting was attended by senior government officials, international and regional experts, academics and representatives from the United Nations system, the World Bank and other multilateral organizations.

C. OPENING

31. The meeting opened with a statement by Mr. Youssef Chaitani, Chief of the Occupation, Conflict and Development Section in the Emerging and Conflict-Related Issues Division (ECRI) of ESCWA. He said that many attempts had been made by international organizations, think tanks, civil society and academics to measure governance. Some had concentrated on a specific area of governance and others had attempted broader assessments. The methodologies used to build indicators also differed substantially. To date, there had been no systematic, universally accepted indicator. Referring to the Arab Governance Report, the background document for the meeting, Mr. Chaitani said that a methodology explicitly considering the specificities of the Arab region was needed.

D. AGENDA AND ORGANIZATION OF WORK

32. The meeting was divided into five expert panels to debate the following themes:

(a) Session I: The neighbourhood effect, trends of transition and resulting political dynamics;

(b) Session II: Why is there a need for an Arab Governance Report?

(c) Session III: Methodology on monitoring progress of governance in the Arab region: A proposal;

(d) Session IV: The problematics and priority areas for facilitating transitions;

(e) Session V: Dealing with the impossible: Electoral reform in a polarized society.

33. Mr. Abdallah al-Dardari, Chief Economist and Director of the Economic and Globalization Division (EDGD) of ESCWA, chaired the first session. Mr. Havard Hegre, Professor of Peace and Conflict Research, Uppsala University, chaired the second session. Mr. Nader Kabbani, Director of Research and Policy, Silatech, chaired the third session. Ms. Natasha Ezrow, Director of the International Development Studies Programme, Department of Government, University of Essex, chaired the fourth session and the recommendations session, which was co-chaired by Mr. Ibrahim Saif, Minister of Planning and International Cooperation, Jordan.

Annex*

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