Building a favorable regulatory climate

Gazientep Tuesday November 20 2018
Why do we need regulations

- Why do we need regulations in the first place:
  - To protect consumers – safety – quality – prices
  - To protect producers
  - To protect workers
  - To facilitate competition
  - To protect environment
  - To protect from systematic failures
- BUT they often become
  - Discriminatory – protecting special interests and anti-competitive
  - Rent seeking – source of corruption
  - Political
The Problem

- BUT they often become drains on productivity and investment
  - Arbitrary – not predictable
  - Discriminatory – protecting special interests and anti-competitive
  - Rent seeking – source of corruption
  - Political
How this plays out in the host countries for Syrian-owned businesses

- Regulatory climate in neighboring host countries is not that good to begin with
- Treatment of Syrians is discriminatory in the majority of cases - some isolated islands of success
- There are legitimate regulatory obstacles - particularly the financial sector
- Every host situation is unique
What it means for Syrian firms

- Business Entry
- Business Operations
- Freedom of Movement
- Banking Restrictions
What to do about it

- Develop public private dialogue mechanisms with the host countries at the national, governorate and municipal levels to come up with solutions
  - Ideally coordinated but take the wins where you can
- Develop guarantee mechanisms to overcome the “history”, know thy customer “ problem
- Build alliances with “refugee impact investors”
- The squeaky wheel gets the oil