

Rabat Declaration

Moving Towards New Development Strategies for Countries in the Arab World

Knowledge has always been central to development. To cope with the daunting challenges they face, particularly the need to create jobs and to develop more productive economies, Arab countries would do well to embrace a strategy for a knowledge-and innovation-driven economy. This is the main issue that is examined in the new report: *“Transforming Arab Economies: Travelling the Knowledge and Innovation Road”*, developed by the Center for Mediterranean Integration (CMI), together with the World Bank, the European Investment Bank (EIB) and the Islamic Educational, Scientific and Cultural Organization (ISESCO), and that was the main topic of discussion at the high level conference on *“Transforming Arabic Economies: Travelling the Knowledge and Innovation Road”*, held on 4-5 June 2013, at ISESCO headquarters in Rabat, Morocco.

In this context, we, the participants representing various countries of the Arab world as well as regional and international institutions in the High-level Conference, declare that:

- Countries of the Arab world must move from the “status quo” to developing new types of strategies to deal with a rapidly changing and globalizing world. If countries - small ones such as Finland and Singapore, medium-sized ones such as Malaysia and Korea, and large ones such as Brazil, China, and India - are able to harness the power of technical change, then countries in the Arab world can do so too. The extent of change will depend in good part on how well the knowledge-and innovation-driven economy takes hold throughout the region.
- Creating jobs entails more investment in knowledge-related sectors and new emphasis on how to develop competitive, productive and sustainable economies. There is a good likelihood that a sustained knowledge-economy effort over a sufficiently long period can be an important source of jobs in the Arab region, provided that labor markets function well and skill mismatches are significantly reduced.
- Over the past decade, some Arab countries have begun to travel the knowledge-economy road, upgrading their human resources through improvements in education that have significantly increased the region’s capacity to absorb new technologies and know-how (like Jordan and Tunisia), investing in ICT infrastructure and the backbone logistics needed to connect to the global economy (like the GCC ones), building solid innovation support structures (Lebanon), and improving their overall governance and business environment (Morocco).
- The impact of the economic and institutional regime is of key importance. Mediocre governance, resulting in a poor business climate, is the single greatest hindrance both to economic and social development in the region and to knowledge-based development in particular.
- There is necessity to develop a strategy within an integrative framework with reforms in key policy areas: developing more open and entrepreneurial economies, preparing a better-educated and more skilled population, including taking advantage of the talents of women, improving innovation and research capabilities, and extending information and communication technologies and their applications.
- Governments would also do well to establish appropriate conditions for the development of specific sectors (whether traditional, such as in agri-business, textiles, or chemicals, or new, such as ICT, high value added tourism and media) and sites that are sources of new activities and jobs.
- There should be an adequate vision, strong coordination at the top level of government, and a participatory approach to mobilize population at large to back the reforms that are needed, including

consultation with and participation of stakeholders from the private sector and civil society, including academia, think tanks, and, importantly, the media.

- Change agents who can help catalyze these changes include members of the diaspora, especially those with advanced qualifications who have a key role to play by lending their commercial, financial, and technical support.
- Active regional integration processes within the Arab world and around the Mediterranean would be important and would help to speed up the needed evolutions.

Recognizing the importance of making such a transformative move, we, the representatives of various governments, private sector stakeholders and civil society representatives declare the need to undertake the following steps:

- **Raise awareness on the issues at stake** not only among high level stakeholders from both the public and private sectors in the Arab world, and broaden the dialogue to include civil society, the youth, and the media.
- **Facilitate a constant and vibrant knowledge exchange** on the kinds of knowledge economy strategies that are being developed in the region and around the world.
- **Create a network of practitioners in the Arab countries who can consult with each other on ways to move ahead on the knowledge economy**, to share experiences and their expertise, to help follow up the national efforts, to encourage regional initiatives, and if need be, to help in the design, implementation and follow-up of relevant activities and projects.
- **Reinforce horizontal and vertical** cooperation in the field of knowledge economy in the MENA region.
- **Coordinate and plan initiatives** within the region to further coherence of projects.
- **Promote, protect and enhance the indigenous knowledge** as an integral part of the knowledge economy to better involve all parts of the social strata in economic and social development.
- **Bring together relevant international and regional organizations to concretely work together with countries in the Arab world** through various modalities: as through provision of technical support, preparation of “just in time” and customized policy and strategy notes, and providing a platform for capacity building activities.
- **Stimulate knowledge development and innovation through greater integration and more regional collaboration**, particularly in the Euro-Mediterranean space.
- **Mobilize the media** to actively publicize local, national and regional initiatives, notably successful ones, to sensitize the population and to engender a dialogue among all stakeholders.
- **Work with international organizations** including ISESCO and other organizations, and use the CMI as a platform for solutions-based knowledge exchange to further this agenda.

We, as individuals, organizations and representatives of the relevant States:

- **Commit to work on concrete projects** in areas such as education, research, innovation, and the information society, in order to show the tangible benefits from moving to such an approach, rather than staying with the business-as-usual status quo.
- **Reaffirm our interest in the idea of organizing a State Summit** for leaders from the Arab world in the coming 2 years that would lead to the development of common knowledge-and innovation-driven agenda for the region.
- **Invite ISESCO, the CMI, the World Bank, and other partner organizations to work together** to make this initiative possible and lasting for the Arab world, by undertaking diagnostics to help identify opportunities that are currently not fully exploited and ways to overcome obstacles, and by

identifying best practices to help achieve better integration.

- **Thank ISESCO and Director General Dr Abdulaziz Othman Altwajri for the outstanding effort both to organize and host this conference** and to disseminate this timely and important report.

Rabat, 5 June 2013