

# A Shared Vision for Stakeholder Capitalism in the Middle East and North Africa



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The health and economic impact of the COVID-19 pandemic has exemplified the centrality of public-private cooperation as an essential tool in mounting effective response, recovery and rebuilding efforts.

We, the members of the Regional Action Group of the World Economic Forum, believe that the principles and practice of Stakeholder Capitalism provide the outlines of a shared vision for building more resilient, inclusive and sustainable social and economic systems in the Middle East and North Africa.

These principles are the following:

## **1. Crafting inclusive economic policies and a new social contract**

Economic policies, whether fiscal, monetary, or within trade and public investments, should be steered collaboratively together with all sectors of society. Policies should be designed in such a way as to serve the needs and interests of all societal actors, including women and marginalized communities. They should be based on the imperatives of providing social safety nets for the vulnerable, consider economic inequality and take into account the contributions of the informal economy. As the region transitions away from rent-based towards more diversified economic models, policies should target concrete areas of impact such as ethical supply chain management and fair income distribution.

## **2. Stimulating economic integration**

Stimulating inclusive economic development and regional competitiveness requires greater levels of intra-regional trade and investment, which can only be achieved through the facilitation of effective cross-border collaboration between different economies. Across the region, development is often stifled by trade friction and endemic economic fragmentation, leaving out the potential that more integrated economies could generate, including in the areas of the digital economy, tourism, or non-tariff barriers. Public-private cooperation should envision the adoption of more flexible visa policies, as well as broader and mutually supportive institutional mechanisms and regulatory environments.

### **3. Reshaping education systems**

The implementation of effective labour market reforms needs to be complemented by state-of-the-art educational curricula that can produce graduates who are ready to enter the 21st-century labour force. In light of growing competition globally, and given the challenges of automation and artificial intelligence, education systems should be geared towards promoting skills and faculties such as critical thinking, creativity, emotional intelligence, entrepreneurialism and teamwork. The imperative of providing access to education for all urges stakeholders to design education systems that embrace the speed of technological progress and life-long learning.

### **4. Harnessing the Fourth Industrial Revolution**

In light of unprecedented technological change, now accelerated by the impact of COVID-19, stakeholders must collaboratively shape regulatory environments to balance the imperatives of privacy and efficiency. Existing conditions and resources in the region, such as high rates of internet penetration and the availability of tech-savvy youth populations, should be leveraged as a basis for the integration on a regional level of national digital infrastructures and markets, including the provision of a diversified range of social and financial services. Such efforts need be underpinned by the creation of integrated technology ecosystems on a national level, as well as an overarching governance architecture on a regional level. Technology solutions should be geared towards closing the digital divide while being centred on the individual human being as the chief agent and beneficiary of technological progress.

### **5. Promoting environmental sustainability**

In a region faced with acute environmental risks, such as those related to desertification, water scarcity and heat waves, social and economic policies should be designed in a way as to mitigate potential future climate-related disruptions. Such policies need to particularly consider the principles of environmental sustainability and invest in innovative projects such as those within the field of the circular economy. Companies should be incentivized to redesign their business models for sustainability, thereby reshaping business systems and value propositions in order to generate value and reduce costs for business and the environment. Environmental policies should advance net-zero emission standards, in line with the 2030 Agenda for Sustainable Development.

### **6. Mitigating global health risks**

As COVID-19 has exemplified, epidemics and pandemics can cause severe disruptions to economic and social life. Against this backdrop, governments and private sector players need to cooperate on a regional level in order to mitigate the impact of global health risks affecting their populations, as well as guest-workers, and collaborate in the areas such as research and development, digital health, and vaccine development and distribution.

### **7. Committing to good and agile governance**

Stakeholders from across the societal spectrum, including government and the private sector, but also civil society actors and the academic-scientific community, must work together in order to strengthen good governance, fight corruption, ensure the guarantee of the rule of law and enable citizens to enjoy fairness, prosperity and dignity. They must also strive jointly to increase the agility of governmental norms and regulations to effectively respond to the interconnected risks and opportunities of this new era.



The following community members have endorsed the Principles of Stakeholder Capitalism for the Middle East and North Africa:



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Minister of Finance,  
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**H.E. Abdulla Bin Touq**  
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**H.E. Mohammad Al-Ississ**  
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**H.E. Bandar Hajjar**  
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**Anas Alfaris**  
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