

Interview

UN official: Rebuilding Arab war-torn countries a 'global public good'



Dalal Saoud

Beirut

Wars in the Middle East are raging with no solutions in sight. However, international and regional organisations have started preparing for post-war reconstruction of Syria, Yemen and Libya.

Rebuilding these countries, as well as Iraq, will turn the Middle East into not only a big reconstruction site but also "the only possible centre of growth in the world economy in the next ten years" predicted Abdullah Dardari, deputy executive secretary of the UN Economic and Social Commission for Western Asia (ESCWA).

Wars cannot last forever and making peace in the Middle East "has become a global public good", said Dardari, who spoke at length about reconstruction prospects in the region during an interview with The Arab Weekly.

The challenges are enormous, starting with understanding the root causes of the conflicts, assessing damage resulting from excessive use of military force, understanding new socio-economic governance dynamics emerging as a result of the conflicts up to trying to put together some early reconstruction cost estimates. Funding, with such extensive damage, is another issue.

"It is never too early to start planning for reconstruction. In fact, I think it is already too late," said Dardari. "Wars will end. Countries will have to be rebuilt. People will have to live. Schools will have to be reconstructed... Life will resume."

Discussions have been under way for more than a year with ESCWA, the World Bank, the UN Development Programme and other organisations preparing for the reconstruction drive.

"We are yet in a phase of planning for reconstruction... All the work is preparatory and does not make a plan that is a much more detailed document where national states and international partners get together and start planning in details: What are the needs, priori-

ties, projects, source of funding and how projects are to be implemented," Dardari explained.

The organisations in question are also in "the very early stage" of understanding the possible impact of reconstruction in countries of conflict – Syria, Libya, Yemen and Iraq to a certain extent – on their respective neighbours, mainly Jordan, Egypt and Tunisia.

"There is a lot of work happening today in gathering information, understanding the main challenges and the main priorities of the immediate post-conflict term... and in trying to engage national stakeholders in Yemen, Libya and Syria in a debate about a new social contract," Dardari said.

To proceed with reconstruction plans, political settlements should be in place and legitimate representatives identified to be the interlocutors and partners in the process, he said.

Besides the importance of rebuilding destroyed buildings and infrastructure and taking into consideration the political, economic and security issues, the most difficult question to answer remains: Would these countries adopt new social contracts to replace the ones that led to their collapse?

Unlike Syria and Yemen, oil-rich Libya seems to be in a more favourable position, with financial resources and an internationally recognised government of national accord to work with.

Dardari, however, explained that even though Libya has financial resources and, therefore, it will not face the difficulty of filling the funding gap that Syria and Yemen will face, the North African country's needs and priorities as well as short-term and long-term policies are yet to be defined.

"Do we want to rebuild the same social contract for Libya which depends on distribution of oil? Or do we want to diversify the economy... creating more participation, and more role for the Libyan private sector," Dardari said.

Careful planning is a must to avoid devastating consequences, while implementing, for example, the integration of all the militiamen in the Libyan Army as stipulated in the political agreement.

"Imagine if we integrate them all now and then in 2-3 years' time, the Libyan government doesn't have the money to pay

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their salaries. The impact on peace in Libya will be disastrous," Dardari said.

Estimating damage and reconstruction costs is another difficult task with battles raging in the countries of conflict and inflicting more destruction.

ESCWA's most recent assessment has put Syria's total damage at about \$340 billion, out of which nearly \$100 billion is destroyed assets and the rest loss in gross domestic product (GDP).

"The question is: Do we need \$340 billion to rebuild? That's not automatic," said Dardari, noting that according to ESCWA calculations based on Syria's 2010 GDP levels, the country would need an investment of about \$200 billion.

He explained that the Syrian economy will be able to generate around \$70 billion in the next ten years if there is no aid and no external financial flows. "So, there is still a funding gap of about \$130 billion required from outside the Syrian economy to invest sufficiently to bring back Syrian GDP to the 2010 level," he said.

The process of developing similar calculations for Libya and Yemen is under way to determine what GDP level to adopt and produce projections.

"The physical damage in Libya is much less than Syria and Yemen," Dardari said. "Whether we like it or not, the first few years

of post-conflict Libya will be dependent on oil. The diversification of the Libyan economy will not happen in two, three, four, five years. It will take decades."

As for Yemen, the damage there until last year was estimated at about \$100 billion in loss in GDP and physical assets.

But how to finance such reconstruction while most countries are facing financial crises?

"If there is anything positive from these conflicts, the damage has been so extensive that no one, domestic party or international coalition – even if a party can claim victory – has the money to rebuild," Dardari said.

He emphasised that rebuilding Syria, Yemen, Libya would be actually "a project of international cooperation and of national reconciliation.... Otherwise, there is no rebuilding and if there is no rebuilding, there is continuous wars."

"If the world is interested in continuous wars in this part of the world, it will have to live with it," said the senior UN official, in clear reference to the emerging refugee-migration crisis and wave of terrorist attacks targeting Europe.

Dardari argued that "making peace in this part of the world has become a global public good" and thus the world would need to invest to reconstruct the region, especially Europe, which should ask "how important Syria, Yemen and Libya are for the safety, security, stability and future of the European Union".

"Creating jobs and dignity for young Arabs is a global public good for safety and security of everywhere else in the world," he said.

With all growth poles in the world economy having almost flat growth rate, Dardari maintained that "rebuilding this part of the world is the only possible centre of growth in the world economy in the next ten years".

Underlining "an interdependent interest" to see Syria, Yemen and Libya flourishing, he concluded that if the three countries "were the front lines of the shaping of the new world order, rebuilding them is the convergence lines of this new world order".

Dalal Saoud is the Deputy Editor-in-Chief of The Arab Weekly. She is based in Beirut.

Economic impact of war in Syria

