

Curbing Corruption by Improving Economic Governance in the Middle East and Central Asia
10:30 a.m. to 11:30 p.m.
April 11, 2019
HQ1, Meeting Halls A&B

Opening Remarks:

Tao Zhang, Deputy Managing Director, International Monetary Fund

Moderator:

Minouche Shafik, Director, London School of Economics and Political Science

Speakers:

Aleksi Aleksishvili, former Minister of Finance, Georgia

Sawsan Gharaibeh, Co-Founder, Rasheed (Transparency International), Jordan

Zeine Zeidane, Deputy Director African Department, International Monetary Fund

The detrimental societal and economic effects of corruption are far reaching and finding effective and durable solutions is challenging. In particular, it can be politically difficult to tackle vested interests. Speakers shared their experiences of fighting corruption and discussed the reform priorities and frameworks that can help improve economic prospects and opportunities in the Middle East and Central Asia.

Key Points:

- **Fiscal reform.** Panelists agreed that fiscal reform is a priority in countries facing corruption. *Aleksishvili* shared the experience of Georgia, which implemented wide-ranging reforms to tackle corruption in 2004, and explained that fiscal reform was aimed at creating a system that was simple to understand, easy to implement, and as universal as possible. This was done by eliminating inefficient taxes and exemptions while also reducing tax rates. This simplification also helped to establish trust in the new government. *Gharaibeh* added that fiscal reform needs to cover local governments, extractive industries, and state-owned enterprises.
- **Transparency, deregulation, and reducing bureaucracy.** Improving transparency throughout government functions is key. *Aleksishvili*, *Zeidane* emphasized the need to reduce bureaucracy and the complexity of regulation and highlighted the usefulness of moving to e-systems to increase transparency. *Zeidane* gave the example of Mauritania, where a system of asset declarations was put in place throughout the government. He also highlighted the importance of establishing a strong and merit-based framework for civil servants.
- **Public support and civil society.** *Aleksishvili* underlined that public support is necessary to implement anti-corruption reforms. Therefore, it is important to communicate the steps taken and show the positive results of anti-corruption efforts. Despite a lot of work in the area and strengthening of anti-corruption agencies, *Gharaibeh* noted there has been very little improvement in corruption perception in the MENA region over the last five years. She urged civil society groups to rethink their anti-corruption interventions, underscoring that solutions need to be sustainable and persist despite the change of governments.

Quotes:

"Fighting corruption is about creating equal opportunities for all citizens." **Tao Zhang**

"We cannot address the economic and social challenges we face without addressing governance and corruption" **Zeine Zeidane**