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Russia's New Horizons
EFFECTIVE RESPONSES TO CRISIS-HIT TERRITORIES
Roundtable

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Moderator:

Christopher Granville, Managing Director, Trusted Sources

Panellists:

Ramazan Abdulatipov, Acting President of Dagestan

Mohamed Kabbadj, Former Minister of Finance of Morocco (1995–1997)

Gilles Kepel, Professor, Sciences Po, Paris

Mona Makram-Ebeid, Senator, Egypt; Professor, American University in Cairo

Ton Nu Thi Ninh, President, Tri Viet Institute for International Studies and Exchange (Ton Duc Thang University)

Leoluca Orlando, Mayor of Palermo

Fouad Siniora, Prime Minister of Lebanon (2005–2008)

C. Granville:

Ladies and gentlemen, good morning and welcome to our session today on one of the most fundamental and difficult problems of today's world – one might add, of the history of the world – which is various forms of tensions and conflict, often violent, which are experienced by so many countries and regions of the world, and which take all kinds of forms: communal, sectarian, ethnic, religious, spill-overs from neighbouring conflicts in neighbouring states and regions, sometimes fomented by them, terrorist activity. Most cases which we will be considering and discussing and sharing today in our panel discussion have some mixture of those elements.

So few parts of the world are spared such suffering: certainly not my own country, the United Kingdom of Great Britain and Northern Ireland, Northern Ireland, of course, being a scene of chronic sectarian conflict and violence which blew up again even in recent weeks, despite great progress towards settlement.

And certainly it has not spared the country which I myself have been professionally involved with for 23 years: our host today, the Russian Federation. In particular the part of Russia most severely affected has been the North Caucasus, which is represented today on our panel by the Acting Head of the Executive Branch of that largest and most populous region of the North Caucasus, the Republic of Dagestan, Mr. Ramazan Abdulatipov, who we will be hearing from in a few minutes.

But perhaps the part of the world that has been most chronically affected in recent decades by this type of problem is the Middle East, and here we have a rich and eminent representation of political and governmental actors and deeply knowledgeable experts spanning from west to east of the Arab world, from Lebanon through Egypt to Morocco. We range much more widely, ladies and gentlemen, to Southeast Asia, and Vietnam, where the conflict and war in that country, for many of our generations, was the first awareness of conflict, as we grew up and became aware of the world.

And then, closer to home, a region of Europe which has been chronically beset by criminal unrest: we are talking about Sicily.

I am going to introduce all of our speakers as we go through, from sitting on my left in the order that you see them seated in front of you. One of our great problems in discussing such deep and fundamental problems is time. We have, according to my watch, officially not much more than 70 minutes. I think that if, as I firmly expect, we have a fascinating discussion, we might take the liberty of postponing our lunch by a few minutes, if we have the appetite for more discussion. But this will require great discipline on the part of all of our speakers, and I have invited them to limit their initial remarks to just a few minutes each. It is so difficult to do: they have travelled so far to be with us in many cases. But I think that this is the best way to arrive at our goal.

Ladies and gentlemen, our goal is to consolidate and to extract lessons from the experience of conflict resolution. Lessons of success: what approaches have been successful? The lessons of setbacks: what pitfalls to avoid. To think in particular about the relationship to conflict resolution of business, investment and the economy, as befits our Economic Forum here in St. Petersburg.

So, getting straight down to business, I am going to begin by asking our first main panellist, sitting directly on my left, Mr. Fouad Siniora, who has been Minister of Finance and then the Prime Minister of Lebanon, a country which, as you do not need me to tell you, has been beset by chronic conflicts and tensions, and he will share with us his experience of measures that have contributed to conflict resolution and economic reconstruction. Thank you.

F. Siniora:

Thank you, Mr. Granville.

Ladies and gentlemen, in my experience both as Minister of Finance and Prime Minister, I actually had to deal with all the three elements of crisis, conflicts and wars that you just mentioned in your remarks: the communal conflict, the wars launched by outside powers, and the terrorist attacks and activities.

In 1992, as the Minister of Finance, I had to oversee the implementation of the ambitious reconstruction and stabilization programme that was put forward by the

late Prime Minister, Rafic Hariri, in the wake of 15 years of civil war, which falls under the category of communal conflict.

In my opinion, two essential achievements of this programme were achieved. The first was the rehabilitation of the Lebanese infrastructure throughout the country, including in particular the reconstruction of the central district of Beirut, where a good deal of the war took place. The second achievement was the rehabilitation of the Lebanese middle class through the empowerment of the private sector and also through fiscal and monetary policy mix that stabilized the exchange rate, thereby ending a period of hyper-inflation and speculation, and transforming the tax system to a more equitable one.

I am underlining these two achievements because they are specifically the type of economic initiatives that do not just help the promotion of conflict resolution, but also the prevention of the reoccurrence of these conflicts.

Later, as Prime Minister, I had to deal with the massive destruction inflicted by the sixth Israeli war on Lebanon. That really required a creative, out of the box approach to reconstruction, reform, and rehabilitation that allowed all donors to participate directly and indirectly and in the way they saw fit that adapted to their own standards and rules. We managed to achieve a speedy recovery. The speed of the recovery was lauded by the international community and was considered exemplary by the United Nations.

After recording a growth rate of less than 1% in 2006, the economy went on a high growth spree for four years, resulting in an average real economic growth of about 8.5% every year over the period 2007-2010, together with a surplus in our balance of payments, as well as a surplus in the primary balance.

The third experience that I would like to share with you is also the response of the Lebanese government when I was the Prime Minister, to the terrorist attack by the Fatah al-Islam group on the Lebanese Army and their taking refuge in the Palestinian camp of Nahr al-Bared. The government then transformed the challenge that it faced into an opportunity to unify the various Lebanese factions around the state and around the Army. We re-launched the Vienna Donor Conference and also

managed to mobilize the international community. We managed to absorb the shock, and again adopted the discourse and policies that generated an economic growth rate that, as I said, was over 8.5%, despite the events of Nahr al-Bared and the strong political divisions in the country.

In all these responses that I have just enumerated, the crises and the conflict, the common elements that guaranteed the success are the following: one, the government at that time was always thinking in a new way and out of the box; the second was the clarity of the objectives and the sense of direction that really led to transforming a challenge into an opportunity; three, the government reform programme and constructive programmes were implemented with great determination by the government; four, the targeted message that ensured the broad consensus by the various constituents of Lebanese society, where the government managed it so that the people really took ownership of the reform initiatives of the government; and five, engaging the donors by giving them a real sense of ownership and responsibility towards the programme that we ran. These elements managed to enforce confidence in the state and its leadership and were translated, as I mentioned, into good economic results.

These are old success stories. Of course, there remain some of the factors that are exogenous, like the continuation of the Israeli occupation, and the outside interference of two countries, Iran and Syria, that constitute the real hurdles against the prevalence of security and the rule of law that remained significantly incomplete, together with the sovereignty of the state, as the presence of an armed group with linkages to foreign forces compromised the power and the authority of the central state.

Where do we go from here in Lebanon? The main challenge for us in the period ahead is to really empower and strengthen the authority of the Lebanese state and its ability to enforce law and order over all of its territories. This is quite essential for our country to regain growth and to rise and to be up to the challenge that lies ahead of us. Without this, it will really be difficult to generate the economic

development that can promote the economic empowerment that is needed and is required to have the sustainable and equitable growth that we really need.

To end my remarks on a rather positive note, the rebuilding and reconstruction of Syria, when the war ends – and it will end one day, hopefully soon – will provide a great opportunity for Lebanese companies and Lebanese professionals, banks, and the private sector to actively participate in this noble task, after having accumulated vast experience in rebuilding Lebanon over the last decades. This noble objective could be the Lebanese message over the next decades, and that will strengthen stability and economic development and hopefully will prevent conflicts in Syria as well as in Lebanon. Thank you.

C. Granville:

Thank you very much indeed, not only for those fascinating insights on your country, Lebanon, but what amounts to a superb introduction of themes, variations on which we are going to hear in regard to the other countries which our other panellists come from and will be speaking about.

In particular, I would like to highlight for me how challenge becomes opportunity, including economic opportunity, as you just mentioned, and how political and social and communal divisions cannot be miraculously overcome, but by giving people a sense of ownership in another goal, especially economic development, those deep-rooted divisions can be calmed and to some extent transcended.

Let us move straight on, then, to our next case history: no less dramatic, no less historical. Of course, something which grips the imagination of so many around the world, this is the Sicilian Mafia, and to talk about it, four times elected Mayor of Palermo, renowned and active leader of the fight against the Mafia, Leoluca Orlando, also an old friend of St. Petersburg, a Laureate of the Pushkin Prize, I hear, in this city. Mr. Orlando.

L. Orlando:

Thank you for your kind words. I will only try to say thanks for your attention to my country, to my experience, and I presume that I have not been invited to speak about Sicilian music; I presume I am to speak about the Sicilian Mafia! I am waiting for the day when I am invited to speak about wonderful Sicilian music, but I will speak about the Mafia.

First of all, I wish to say that Palermo used to be considered the world capital of the Mafia. Palermo has become the world anti-Mafia capital: an example that change is possible. There is a traditional Sicilian expression that says, "Who was born round cannot die square". Wrong. Who was born round can even die square. It is possible to change, and I will try to tell a story of change. A story, because you know that normally we communicate through words, but the words are all the same. The words are all perfect, the words are all dead, the words are just not living. Love, hate – may I tell you that hate, musically, is better than love? I will try to tell a story of hate. If I tell a story of love, everybody will understand that love is better than hate, so I will tell you the story of the Sicilian Mafia, and I will tell you how it was possible to change people's minds in respect to the Mafia.

But what is the Mafia? The Mafia is a double perversion. The Mafia is a perversion of power. The Mafia is a perversion of identity. The Mafia is at the same time a form of perversion of power. We know several examples in the world of the perversion of power. First of all, corruption. What is corruption? Corruption is the perversion of power. Absence of democracy is perversion of power. Lack of freedom is perversion of power. So, all over the world, there are many examples of perversion of power.

But the Mafia is not only perversion of power: the Mafia is also the perversion of identity. The Sicilian Mafia has perverted the Sicilian identity. The Sicilian Mafia has killed the name of our identity. For us, Sicilians, there are four important values: honour, family, friendship, and God, the Catholic faith. The Mafia killed the name of honour. They killed the name of family. They killed the name of friendship. They killed the name of God. They killed twice: once, they would kill the person, and once, they would kill our identity, our culture.

So the Mafia is a combination of the perversion of power and the perversion of identity, because the Mafia is an identity-based criminality. There is a tremendous difference between normal criminality – excuse me for using ‘normal’ – and the Mafia. Normal criminality is against the state and outside the state; against the banks and outside the banks; against the church and outside the church; against civil society and outside civil society. It is normal criminality.

The Mafia is something worse, something else. The Mafia is against and inside the state; against and inside the banks; against and inside the church; against and inside civil society. The Mafia needs to be inside. When the Mafia is outside, the Mafia is normal criminality.

We will never be able to destroy criminality in the history of humanity, but we can try to let the criminals go outside the state, outside the banks, outside the church, outside civil society. Am I speaking about the Sicilian Mafia? No, I am speaking about many different kinds of mafias, because the Mafia without an adjective does not exist. The Mafia does not exist. The Mafia needs to be Sicilian in Sicily, Russian in Russia and Chinese in China. The Mafia needs to have the face of people living in the country, because the Mafia is inside, not outside it. The Sicilian Mafia needs to have a Sicilian face. The Russian Mafia needs to have a Russian face. The Chinese Mafia needs to have a Chinese face. I am not only speaking about the criminals called the Mafia; I am speaking about all of the different perversions of power and perversions of identity.

I love Germany. The German language is my second language, my first is Sicilian, probably my third is Italian, I do not know. I have to check with my school. I love Germany. I studied in Germany. The German people have a very important value: respect for the law. The Germans respect the law. What did National Socialism do? Let the German people respect the law, all of the laws, even the laws against the Jews. Who was the first enemy of German culture? The first enemy of German culture was Adolf Hitler. He said that he wanted to defend the German identity. Each culture is exposed to the risk of identity-based criminality.

May I just speak with great respect for Islamic culture? May I say how great my respect is for Allah, for the Prophet, and for the Koran? Islamic terrorists are just like the Mafioso. They are killing the name of Allah. They are killing the name of the Prophet. They are killing the name of the Quran. Who is the first enemy of Islamic culture? The first enemy of Islamic culture is, of course, an Islamic terrorist.

I am a Catholic. Who was the first enemy of Christianity? The first enemy of Christianity was a pope declaring the Crusades against the Muslims. I speak as a Christian. I consider a Sicilian perverting the culture to be my enemy. I consider a pope perverting my faith to be my enemy, because it perverts my identity. I think that each culture is exposed to the risk that I call identity-based criminality. Each of you can give some examples of this.

How do we fight against normal criminals? To fight against normal criminals, we can be like Rudolph Giuliani. He was Mayor of New York when I was Mayor of Palermo, in the same years, and he really changed New York, with zero tolerance. Zero tolerance was really OK, not in New York, but in Manhattan. Only Manhattan, not New York, because zero tolerance does not work against normal criminals. Against normal criminals, the police can be enough. Against the identity-based criminalities, as I experienced in Latin America, in Mexico, in Colombia – Medellín and Bogotá – for many years, the police is not enough. We need what we call the Sicilian cart. Do you know what this is? A Sicilian cart is a cart with two wheels. One wheel is the wheel of law enforcement: police, prosecutors, prisons, jails. The other wheel is the wheel of culture. Against identity-based criminality, we need the two wheels to march at the same speed, because if the speed of law enforcement marches faster than the speed of the culture, the cart will not go forward, it will go round, and people will say it was better when it was worse. If we let only the second wheel march, the wheel of culture will organize a wonderful Sicilian music concert in honour of some Mafia boss. We need the two wheels marching at the same speed. That is exactly what we did in Palermo, where I dedicated all of my time – I am just thinking about the speech of the Mayor of Tel Aviv just before us, speaking about education, education, education. I spent a lot of time when I was the Mayor of

Palermo, just dedicated to the children. I was called the Mayor of the Children because I dedicated all of my time to the children, just to let the second wheel of the cart move.

And I think that what happened in Palermo can happen in any part of the world. I am not saying that we have defeated the Mafia, I am saying that the Mafia does not control the minds of the people in Sicily. This is a big change.

C. Granville:

So, the Mafia has been externalized from the mind, which is the lesson.

L. Orlando:

Exactly. When the Mafia system is externalized from the mind, if I may say so, the Mafia system from Sicily can be found in Frankfurt.

C. Granville:

Normalization is external criminality. Leoluca Orlando, thank you very much indeed. That was fascinating and deeply engaging, huge food for thought, to which we will return.

Now, it is my particular honour to introduce our next speaker. When I first worked in Russia, I remember Mr. Abdulatipov as the Deputy Chairman of the Congress of People's Deputies of the Russian Republic, which, under the leadership of Boris Yeltsin, introduced democracy to Russia. So this is a particular privilege to introduce him and he is going to share with you his plans for economic reconstruction and stabilization in the Republic of Dagestan.

R. Abdulatipov:

Thank you very much!

Colleagues, of course, unlike our friends from Palermo and Lebanon we have no success story to share with you today, because we are still in the process of planning our success for the future and I think our Dagestan Mafia is more powerful

than the Sicilian Mafia. Much of what you spoke about is very similar to what we have seen in Dagestan all these years. It is vital that we overcome instability. We would like to invite you to join us at our economic forum in Dagestan in October, which will be dedicated to instability and ways to overcome it. It is important that you share your experience and knowledge with us. My neighbour and I are even making arrangements for our home towns to become twin cities. I think our mafias have long since been working together, but we would like to see the residents of our cities working together as well.

If we take the classic definition of capitalism in the era of imperialism as our starting point, modern society will never be able to eliminate crises, as the system is inherently crisis-prone. Consequently, any of the representatives of the successful economies now meeting in other rooms could find themselves in this hall at any time, as life could throw crisis situations at them too.

Instability is a complicated problem, and not just an economic one. As someone rightly said, we are also talking about problems like culture, worldview, and identity. I wholeheartedly agree with you that the mafia can be defeated. If we really put our minds to it, we can win this war. Although if you think about it, the mafia is a product of the government's actions because without government support, the mafia would really struggle to survive. The mafia can be defeated and this does not have to take a long time. But how can we change this perversion of identity that the people now hold onto? This is the fundamental problem.

I heard a story about how a caveman was once brought to Singapore. They showed him all of our modern achievements and then asked him what amazed him the most. He answered: "What amazed me the most was that one person was able to carry so many bananas on his cart." If we have certain stereotypes in our mind, then it becomes very difficult to take on the established worldview, outlook on life, and attitudes.

What are we doing today? First, we are beginning to understand the catastrophically low level at which Dagestan society currently finds itself, where, according to almost

all social and economic indices, such as regional GDP per capita, tax revenue, and everything else, we are in last place in the Russian Federation.

But is this problem exclusive to Dagestan? No, this is a problem that we created together. It shows that the federal government was not able to formulate an effective model for governing the region. Or, simply put, the federal government has given the Republic over to the corrupt mafia network, which has been growing for years in Dagestan. This is why today, I cannot get us out of this situation without government support at the federal level. And we are now receiving this support, from the Russian President, the Prime Minister, and others.

But we also need the support of the general public. Why should the people, who have been cheated and lied to for years, suddenly put their trust in me? But we have managed to regain their trust. In the past, in terms of public trust, our region's leaders were ranked eightieth in the Russian Federation. But today, according to the latest statistics, I am the most trusted regional leader in Russia. So far, I have achieved this through my promises, my actions, and my words, but if this is not translated into specific results, instability will return.

We are doing everything in our power to show the people what the future holds for them. We need the support of the people in all our projects, including investment projects; we need their understanding, we need to involve the people in our work and give them ownership in order to get out of this crisis because, first and foremost, we need to overcome our crisis of identity, our crisis of outlook, our crisis of culture.

We now, therefore, have ten top-priority projects that I, as acting President, am proposing to the Republic of Dagestan. All of these projects must be adapted to the specific living conditions in Dagestan and take into account specific local features and circumstances, so that people accept them and understand how they can change their lives. People, by their very nature, want to hear fairy tales. I have given them this fairy tale today. But whether we will see a happy ending or not depends on the work of the whole government.

I am now using the term '*demokratura*' [a mix of the Russian for 'democracy' and 'dictatorship'] in Dagestan, because as part of a large-scale democratic deliberation of these projects, we held about 40 sessions and meetings with various segments of the population and each project was discussed at every level. But as soon as the projects are approved next week, a dictatorship will be formed in order to carry them out. If we do not do this, we will not achieve any results.

And finally, we always say the most important things at the end. This is an economic forum. I would like say something to the economists from a philosopher's point of view. The economy is not everything. We can see this clearly in Dagestan: if we do not change the cultural environment, nothing will happen. I am in a position to build modern companies and I can increase tax revenues, but all this will come to nothing if we do not create a culture that encompasses the modern way of life and at the same time preserves the unique traditions of Dagestan, a culture that can generate success, overcome obsolete stereotypes, and so on.

Finally. We have basically handed Islam over to the mercy of marginal forces: not only in Dagestan, but almost throughout the Islamic world. We seem to have forgotten that a big part of Islam is the concept of Iman. Iman means spirituality or morality. If there is no Iman, then Islam is often used as an extremist ideology.

They say that Islam is supposedly against other religions. But today Islam is being used to generate extremist ideas and terrorism. This is not something we invented in Russia, but something that came to us from abroad. But the holy Quran is addressed to people of all religions and backgrounds and says that we should try to do as many good deeds as possible. It seems to me that my neighbour Orlando has achieved a great deal because he started working with children and because he encouraged his community to compete to do the most good deeds, rather than to see who could make the most money. I would like to congratulate him on his success and hope that he can share it with Dagestan.

C. Granville:

Thank you very much indeed, Mr. Abdulatipov, for the very sobering challenges that you were describing, huge mountains to climb, but an inspirational approach, drawing, I am delighted to say, on many of the themes and ideas we have already heard: the ownership, which we heard about from Mr. Siniora, achieved through some kind of crowd-sourcing search for consensus, consulting widely in society; and then, as Mr. Orlando pointed out, the crucial problem of perversion of identity, particularly of religion and Islam, which you described so powerfully.

We move back to a historic Islamic culture now. We are moving to Morocco, and we are going to hear from Mr. Mohamed Kabbadj, who was the Finance Minister in Morocco and deeply involved in the wider efforts of the Government of the Kingdom of Morocco to cope with the unrest and tensions that accompanied the historical process that has become known as the Arab Spring. So, perhaps we can move on to you, Mr. Kabbadj. Thank you.

M. Kabbadj:

In the Arab world, Morocco is considered to be one of the countries that has managed to overcome different types of unrest. I would like to show to you how Morocco has managed to combat ethnic, religious, and territorial conflicts. And of course, you will hear a few ideas that have already been voiced by the previous speakers.

We have survived the Arab Spring. A lot of protests and rallies have been held since the events that took place in various Arab countries and we saw that these rallies were organized by the 20 February Movement, so called because the first rally took place on February 20, 2011.

The King reacted to these rallies with a historic speech. In his speech he recognized the legitimacy of the people's demands to expand democracy and to have more freedom, more jobs, and so on. The King promised to create a new constitution which would take all these issues into account. Within a few months, this constitution was written and adopted in agreement with all of the political parties. It

expanded democracy and brought more freedom to the country. It really was a big step forward.

In fact, this made it possible for us to keep the opposition at bay, as we could have seen a repeat of what has happened in Egypt and Tunisia. Naturally, as in the other countries, the extremists tried to latch on to this movement for their own gain. In particular, extremist-minded Salafis wanted to create a caliphate. Other groups demanded the creation of a new republic.

In this way, the new constitution granted new democratic rights and freedoms. Most importantly, it increased the authority and power of the judges, strengthened the system of government, and further developed the concept of regionalization in order to better understand the needs of the regions, such as the Sahara or the north of Morocco.

We have also done a significant amount of work to discuss controversial issues with different groups of our society, from religious conservatives to secular-minded people. These discussions and the resulting consensus we achieved have allowed us to take the varying interests of our people into account. For example, the religious community wanted the constitution to contain references to religion. But they held back, since there are other groups of society, such as the Berbers, who also put forward their religious ideas. The new constitution guarantees that people have the right to work, the right to healthcare, and other rights. In many ways, it was for precisely this reason that the majority of the population supported the constitution. This made it possible to isolate extremist movements that were trying to use the movement for their own gain.

Then elections were held and the Islamic party won. It won about 30% of the parliamentary seats and formed a coalition government with the secular parties. This government supported a number of steps to boost the economy and increase the social safety net, which has unfortunately put a heavy burden on the public purse. I am referring to benefits which were granted to the poorer members of society. But we have kept on this course. We also maintained the social

programmes initiated by the state and the King to support the poorest people in our society.

As I have already said, the role of social organizations has now strengthened. Every member of the royal family is now involved in these organizations, and the King himself heads a large organization working in the social sphere.

In addition, Morocco is faced with regional issues and meeting the very specific requirements of each region because, until recently, both the north and the south of Morocco contained poor regions. We have created and implemented a development programme for these regions. You may have heard about the port of Tangier programme and we are implementing some other programmes too. This has made it possible for us to attract major investments in tourism and even in manufacturing, for example, Renault has built quite a large car assembly factory in this region. In the Sahara, which in the 1970s was seen as the poorest and most arid region of Morocco, we have launched a new programme that has transformed the region into the third most developed in the country. There was development in a number of different areas, including education and health care and, of course, the water supply, as this is a crucial issue for the desert region.

Why am I talking about this? We believe that when you face such crisis situations, you need to tackle them in a comprehensive manner. You cannot identify one single factor for development, be it economic, cultural, or anything else. You need to take a comprehensive approach like we did in Morocco. This approach is based on some fundamental principles.

Principle number one is always to negotiate, even with your greatest opponents. You have to negotiate and engage in dialogue in order to find compromises and identify the solutions that have popular support. This is exactly how to isolate the extremists whose ideals have nothing to do with religion. It is important to develop joint solutions and find compromises. You also need economic development focused on the social needs of the population, including the poorest members of society.

We must keep in mind that education is vital, as we can see that the fundamental values held by society are being warped. Values held in the religious sphere, for example. Some people propagate a completely distorted interpretation of religious texts in order to win people over. Finding a consensus allows us to isolate these extremist tendencies.

These are the approaches we take to crisis situations. Thank you for listening.

C. Granville:

I would for myself pick out the formation of consensus based on compromise creating ownership. These, I think, are some of the key words that are coming out of our discussion.

Now, we are going to move on quickly – time is running a little bit short, but we are still within our limits, doing very well, so congratulations to everyone on the time keeping – to two cases which I think occupy opposite extremes of the spectrum as regards timing. A country which lived through a ferocious and tragic experience of war and conflict with an international dimension, but already a generation ago: that is Vietnam. And a country which is still in the midst of political upheaval accompanied by sporadic bouts of civil, political and sectarian violence, and that is Egypt. I think considering these two cases back to back will be particularly illuminating in many respects.

And so it is with huge pleasure that I am going to start with our guest from Vietnam, Ton Nu Thi Ninh. Madame Ninh is the President of the Tri Viet Institute for International Studies and Exchange and she will now share with us some experience of the lessons of reconstruction and conflict resolution in Vietnam.

T.N.T. Ninh:

Thank you. I think that everybody remembers Vietnam as synonymous with a several decade-long, very fierce war which created millions of victims and displaced millions more. It created the large Vietnamese diaspora which today amounts to more than 4 million people spread out across the world. But I think we have lessons

to share with the rest of the world in terms of how we managed reconstruction, and here I am dealing with human reconstruction, not physical. The physical side is another story: not easy, but perhaps easier in my mind than what I call human reconstruction or, if you will, reconciliation and moving towards restoring normalcy and normalization.

You need to remember that this was a war where the northern and southern parts of Vietnam were divided for decades along ideological lines, and with multiple deaths on both sides.

So, how did we manage this human reconstruction? Well, first of all, among the lessons and strengths of Vietnam in this sense, Vietnam stands apart from Germany and Yemen, which reunited, but not on the basis of a war. Vietnam has a long tradition in its history of looking forward and of seeking common ground rather than focusing on differences. When the war ended, there were headlines here and there that there might be a bloodbath in Vietnam. Now, there was no bloodbath. I am not saying that no one died out of revenge – perhaps in a distant village, someone took it upon themselves to do justice for what happened in his hamlet or his village – but there was no systematic bloodbath at all.

On the contrary, there was first the worry about security. And for those of you who have followed the Vietnam conflict, the Saigon Army soldiers and officers were asked to regroup in so-called re-education camps, a couple of weeks after the end of the conflict. Now, in Vietnam, there is no family that did not have a member on both sides. All families had members on both sides. I was for the NLF and PRG, the so-called revolutionary side, and my brother was in the Saigon Army. At the end of the war he went to re-education camp, and he was the one who, when he was released, told me that he understood perfectly, as a military man, that at the end of the war there was a need to regroup the members of the former Saigon Army to avoid a kind of new guerrilla warfare. So it was for security purposes at first.

He also told me that if the new government had released most of them except the top generals or the top staff, then all of them would have become supporters of the

new regime. It did not really happen that way, so re-education camps went on, and that was part of the reason for the exodus away from Vietnam.

So, this is a mixed success. I would say that there was no wholesale systematic retaliation, but then there was a measure which then created animosity and resentment because it went further than it should have. But overall, we have this attitude of looking forward, and not looking back.

After a number of years, our pragmatic wisdom explained the fact that we accepted the former Vice-President of Saigon, General Nguyen Cao Ky, who was very well-known for having called for the bombing of the north of Hanoi, and allowed him to return to Vietnam. He took with him his wife and his daughter. His wife opened a restaurant and his daughter became a very popular MC on TV shows, and so on. So what I am saying is that this is what I call normalization. If you have symbolic figures like this General Nguyen Cao Ky, you allow him to go back and lead a normal private citizen's life and his very good-looking wife and very good-looking daughter are allowed to do business and appear on TV shows. You see, that is part of what I call making it normal. Let us not look back. If they come back without guns, they abide by the law, then let them be.

The third thing is reconciliation or human reconstruction has been made easier in Vietnam because this is Asia, where family ties are very important. And family ties override ideology. My own father was a feudal mandarin, and my brother was a captain in the Saigon Army, but to me, and to them, we were just family. We could not agree on politics, but we were still very close as human beings and as family members.

Now, the effort towards normalcy and normalization of relations among Vietnamese is premised on the perception, the understanding, that all Vietnamese, wherever they are, inside or outside Vietnam, care deeply for their country. They have one common goal: they want Vietnam to be rich, more democratic, more fair and just. Of course, we may differ on how to get there, but that common goal is there. There was common pride, therefore, both inside and outside the country, among the diaspora, when Vietnam embarked on its international integration efforts, which

came full circle with its accession to the WTO. And so this created a kind of pride among all Vietnamese, whatever their political leanings, that today Vietnam is part of the club of old nations and is recognized as a full member of the community of nations.

We also facilitated normalization by encouraging overseas Vietnamese remittances. It is very easy these days for families to receive money from their relatives in California or Australia.

I would like now to add a few words about our ethnic minorities because of course I have been speaking about how we tried to restore normalcy and warmth in the relationship between our Vietnamese of both sides after the war. But after the end of the war we still had a few problems among our ethnic minorities. Now, few people know that Vietnam is a multi-ethnic society. Apart from the Viet ethnic majority, which accounts for 87%, we have 53 ethnic minorities. In 2003 and 2004, if I am not mistaken, we had unrest in the Central Highlands, where you have a concentration of ethnic minorities.

The reasons for that unrest were both economic and religious; economic in the sense that there was a coffee boom whereby the ethnic majority business people moved en masse to the Central Highlands and bought up land at very easy rates, because the ethnic minority owners did not have much idea of the value of land. By the time those ethnic majority plantation owners had become very rich, the local ethnic minorities became disgruntled. On the other hand, there was a very strong movement of proselytization by Protestant groups up there among the ethnic minorities, and so there was a push by some of those ethnic minorities to create more freedom of worship for the Protestant faith, and so on. That led to the unrest.

Now, how did we solve this? Of course, when some of them resorted to violence, we used regular police. There were clashes but not so much bloodshed. On the contrary, what did we realize? That we needed, first of all, to prevent a further influx of ethnic majority business people buying up land. So we used administrative decisions about this politically sensitive issue. If we had then let the market work with free enterprise for all, it would have created further unrest.

Secondly, we remembered the lessons from the times of the guerrillas, when our own fighters applied the principles of the three together: living with the population, eating with the local population, working with the local population. Because of the economic growth after the end of the war we had been removed from that. So now, speaking the local language, the dialect of those ethnic minorities, it was a warning bell that we could not just focus on economic growth and getting rich and forget that we really needed to stay close to the realities of the ethnic minorities.

On the religious side, we allowed the opening of more Protestant churches, and so, since 2004 things have more or less calmed down and we have not had further unrest. So I assume that, again, a mixture of measures that do not rely on force mostly, but on compromise, on remedial measures, on understanding the psychology and realities on the ground, have helped.

So those are, for what they are worth, some of the lessons that we would like to share from Vietnam. Thank you.

C. Granville:

Thank you very much indeed. Thank you for sharing with us such specific case histories with recommendations which I do not even need to summarize, so clearly did you put them across, with the benefit of hindsight and of experience over some decades. It was very interesting to hear such a frank account of what was less effective, less successful, trying to re-educate people contrary to the past, instead of looking forward. Again, fascinating.

As I said earlier, we move now into the present tumult with our next speaker, Dr. Mona Makram-Ebeid, an active politician in the turbulent political arena that is Egypt, a country which I am sure can claim a unifying patriotic spirit, as can Vietnam, but many other problems as well. Over to you.

M. Makram-Ebeid:

Thank you, Mr. Granville. I am going to talk about a country that is going through the most turbulent phase of its history, and certainly I will tell you about the approaches

that are not successful. As Mr. Granville was saying, we should talk about the successful approaches, but what we are going through are the unsuccessful approaches.

Let me start by saying that Albert Einstein once said that if he had just one hour to find a solution on which his life depended, he would spend the first 55 minutes defining the problem. Once he knew the right question to ask, he could solve the problem in less than 5 minutes. I am certainly not going to take 55 minutes to define the problem, but I will try to give you, in less than 10 minutes, a brief idea of the prospect of what it means to have Islamist governance in the most powerful and populous Arab state: Egypt.

The main question remains: will Egypt turn into a theocracy, Iranian or Saudi style, or will it evolve into a modern, secular, democratic state? As the Mayor of Palermo said, today we are facing an attack on the identity of Egypt. It is a struggle for the soul of Egypt. June 30 marks Mohamed Morsi's first anniversary as President of Egypt. It is also the date for nationwide demonstrations protesting Morsi's increasingly authoritarian leadership and the role the Muslim Brotherhood is playing in post-Tahrir Egypt. You know, of course, Tahrir Square.

The organizing effort for June 30 is called *Tamarud*. *Tamarud* means 'rebel'. People are rebelling against the present regime and what it has done since the revolution. This is mainly initiated by the youth, and I want to underline this again: the role of the youth today in the countries that have gone through what they call the Arab Spring, which is more of an Arab winter— this is today the main sector of society.

It remains to be seen whether this movement succeeds or fizzles out. But what its early success reflects – they have gathered 13 million signatures up till now – is that Morsi's government is in deep trouble.

The only thing that we know for certain is that Egypt will keep on surprising the West and itself. But let us turn now to the main topic of my intervention, which is: can the country's economic problems be solved by the International Monetary Fund's emphasis on austerity? I do not believe so, and this is one of the examples of the wrong approach.

In April, a technical delegation from the IMF arrived in Cairo for a new round of talks over a USD 4.8 billion loan. This time, though, Egypt's socio-economic and political environment is much worse than the one that the IMF team left behind last November. In the seven months since then, Egypt's financial needs have grown direr, and its ailing economy has further weakened. The country's transitional politics have turned messier and more polarized, and the sense of despair and hopelessness among the overwhelming majority has become more pronounced.

Unable to fully implement the IMF-negotiated economic reform under these hard conditions, the government produced a milder austerity plan in the hope that it would be able to sell it to the IMF. The IMF refused it. So the current talks are likely to revolve around two main topics: the Fund's assessment of Egypt's new economic programme, and its offer to Egypt of an emergency short-term loan of USD 750 million, which the government has refused.

So, the more critical question is: if an IMF-supported austerity programme, revised or otherwise, cannot achieve its stated objective of macro-economic stability, will it throw Egypt into further chaos?

Broadly speaking, when countries face a fiscal balance problem, it can be restored via austerity measures or by achieving high rates of economic growth. This has been debated in recent months, as you know, everywhere in Europe as well, and particularly in the context of the troubled countries on the periphery of the Eurozone. It is no secret that the IMF favours the policy approach of austerity. Egypt, however, is an entirely different case.

At its core, the country's two-year-old economic crisis is a political one: it is not an economic one only. One only needs to remember that in the last six years of Mubarak's reign, Egypt saw high levels of economic growth, was considered the darling of foreign investors, and had been constantly grouped among the emerging economies. True, there were serious problems with respect to social justice, to income distribution – growth was largely rent-based, distorted and heavily tilted towards the more privileged and politically connected segment of the population at the expense of the impoverished majority – but it is also true that growth was

achieved amid an autocratic, corrupt, and oppressive regime which ultimately led to its overthrow.

Since the revolution, an increasingly turbulent transition has led to a sharp economic decline, widespread social unrest, sectarian violence by Muslim extremists against the Christian population, which numbers about 15 million citizens, and internal safety and security conditions that were recently ranked even behind Pakistan, Chad and Yemen. Can an austerity-loaded reform plan succeed under these circumstances in putting Egypt's economy on a sustainable path? Would an IMF loan deal alone, if nothing else changes on the political and security fronts, be enough to send a reassuring message to the international financial markets and bring back foreign investment to Egypt, or even encourage the public sector in Egypt? There are reasonable grounds to doubt all that.

By mainly focusing on the economics of the current crisis, leaving its political roots inadequately addressed, an IMF deal will likely be risking both economic and political stability, thus, in all likelihood, pushing the country further into the abyss.

Egypt's post-revolution inflation, poverty and unemployment rates are all dangerously on the rise, chiefly due to the on-going domestic political crisis that has virtually brought the economy to its knees. So why add more heat to an already boiling pot? This is not an argument against the need for economic policy reform in Egypt, but it is an argument against the timing and the context of implementing such reforms, both of which are extremely inauspicious.

Of course, I will not go into the breaking point. Egypt is rapidly approaching a breaking point: foreign reserves, etc. – you must have read all of this. Under these conditions, cash-strapped Egypt desperately needs the IMF loan, along with the international financial support that could follow afterwards – this is a message to all of you – in order to deal with its soaring fiscal deficit and the deteriorating external position, but on terms and conditions that are entirely different from the ones proposed and endorsed by the IMF.

More specifically, instead of pushing an austerity programme that has little, if any, chance of success amongst all the political turmoil and the near breakdown of

internal security, the IMF and the international community should push for our topics today: a more inclusive, power-sharing government; a reconciliatory political transition process that would ultimately restore stability, enhance confidence in the country and provide hope for its future.

So, this is where the international pressure should be. In order to restore growth in the Egyptian economy, there are three main actors that must be involved – the private sector, the government, and finally civil society organizations and political activists – with one main objective, which is a process of building trust among the three of them, which does not exist. The failure to reach a national consensus on how to proceed in the economic arena will seriously undermine Egypt's fledgling democracy, a development that will only benefit the forces of radical Islamist extremism.

The truth is that any faction here – the youth, the Army, the Muslim Brotherhood – that thinks it can rule Egypt, a 70,000-year-old civilization, and make the others disappear, is fooling itself. Ditto in Syria, Yemen, Iraq, and Libya. Because Egypt is in such a deep hole, and the reforms needed are so painful, they can only be accomplished if everyone shares in the responsibility and ownership, as Mr. Siniora has said, of the transition through a national unity coalition.

In that sense, Egyptians today desperately need a peace process, not with Israel, but with one another. The Millennium Development Goals, due to expire in 2015, succeeded because they marshalled international resources and funding to address a set of poverty-related issues. Promoting economic development as an effective response to the acute problems faced by crisis-hit territories must go a step further. Like Einstein's thought experiment, many lives depend on it. Thank you for your attention.

C. Granville:

Thank you very much indeed, Dr. Makram-Ebeid. Well, we heard from Mr. Abdulatipov a very sober assessment of the situation in the part of Russia for which he is now responsible, and likewise from you, an extremely sober account. The

words 'deep hole' come out of your remarks, but also a very positive call for inclusiveness and accommodation.

I do not hold any brief from the IMF, but I do know from my long experience in analysing economic policy that the IMF and other international financial institutions have always insisted that ownership of any reform programme has to be taken by the country and its people, and that clearly is lacking at present.

Now, ladies and gentlemen, we have almost come to the end of our official time, not quite, because we started a bit late, for reasons that were not our fault, but I am very confident in assuming that you are not going to be too impatient for your lunch before we have heard from our last speaker, and perhaps just had a little bit of discussion, especially as our last speaker will relieve me, I am pleased to say, of the Chair's responsibility for summing up and synthesizing the very specific ideas and recommendations that have come out of our discussions, because he will do that job for me, bringing to the task a renowned knowledge as a scholar and commentator, in particular on the Arab world. This is Professor Gilles Kepel, of the Institute of Political Studies in Paris, known as Sciences Po, who will be our last contributor today. Over to you, Professor Kepel.

G. Kepel:

Thank you, Mr. Granville. Einstein had an hour to find out the problem, five minutes to identify the solution. I have minus five minutes and I am no Einstein! I also note that the French-British antagonism is running deep, because you have now decided that I have to do your job, so this is a daunting challenge, of course.

Anyway, I will try to, if not over-simplify, at least try to synthesize some of the main points that have been made, in order to try to find effective responses – effective is the difficulty of course – to crisis-hit territories. Listening to all of the presentations, I believe that, as has already been emphasized by Dr. Makram-Ebeid right before me, the issue of the loss of the sense of ownership seems to run throughout the various situations, whether facing the Mafia in Sicily, facing a mix of Mafia and extremism in Dagestan, facing the destruction of the state in Lebanon or Egypt, or

dealing with positive solutions after terrible issues in Morocco or Vietnam. The loss of the sense of ownership and the recovery of the sense of ownership seems to be one of the main issues that were emphasized.

Another one, which was dealt with most participants, but I do not think that everybody meant exactly the same thing when the term was mentioned, was identity: building an identity or resorting to identity as a sort of surrogate to the building of citizenship. This is, I believe, one of the big challenges, and one challenge that was enlightened by the vagaries of the Arab revolutions and their unforeseen outcomes.

Going back, for instance, to Prime Minister Siniora's presentation, one thing which was very striking was the way he highlighted the danger for Lebanon of going back – if I may say so – to communal fragmentation, and how he mentioned that under his tenure as Prime Minister, he tried to overcome this communal fragmentation. But we are now seeing, both in Lebanon and in neighbouring Syria, which of course is very important for the future and the present of Lebanon, a sort of comeback of communal fragmentation.

Those identity politics which we are now seeing in the guise of radical groups or extremism or what have you, both in Syria, in Northern Lebanon, in Egypt, and in a number of other countries, are, to a large extent, taking the place of citizenship policies, which are unable to emerge. This is one of the big issues: how to build politics of identity which are inclusive and not exclusive.

Identity politics are a political resource for non-democratic systems, because you can deal with bosses in mafioso-style situations, or you can deal with community leaders, to which you delegate the fates of populations which are not perceived as groups of citizens, but as clusters of members that can be moved or manipulated through a group of leaders who derive their leadership not from their being elected or chosen, but through a sense of belonging which is over-rated.

Now, what I again believe is that when we go back to this feeling that one of the key issues is the loss of the sense of ownership of your present and of your future, people then, when they do not have access to work – that is to say, when they

cannot transform their identity through what they do – tend to cling to a feeling of what they are or what they are supposed to be in order to define their identity and to resist change or to control pockets that will protect their own little group in the face of change. This is definitely one of the big dangers and challenges of the Middle East and of the Arab revolution movements, where we see that a number of competing identities are being put to the fore.

This is what Dr. Makram-Ebeid mentioned recently, where, maybe for the first time in its history, Egypt, which was so strong in its national identity for so many thousands of years, is now looking like there is a fault line within Egyptian society: not only a fault line between rulers and ruled, which was to a large extent always the case, but there is a fault line within society, between Muslims and Muslims, between Christians and Christians, between Christians and Muslims, between Salafis and Muslim Brothers, between civil society and religious groups, and so on.

I believe that there is no way out of those problems of crisis-hit territories without the building of citizenship, a citizenship that will encompass global identity in its hold. No such citizenship can be built without growth, as many of you mentioned, but this growth has to go parallel with investments in education and in society, social issues, something which Dr. Makram-Ebeid again underlined when she reminded us that under Mubarak, Egypt was the darling of investors. There was growth, but there was no significant investment in social issues and in education at a global level, which led to the downfall and the toppling of the previous regime.

So I guess that this may be one of the main issues that we could take out of the presentations that were so eloquently made and contrasted, and I hope that I did your job, as the French always do for the sake of the Brits, and that we can now have a stimulating Q&A session. Thank you.

C. Granville:

A very British thank you to you, Professor Kepel, thank you.

Now, ladies and gentlemen, we have run beyond our official time, and I suppose my official duty should be to thank all of our participants and wind things up, but I do

propose that if anyone would like to, and has to, leave, to do so without embarrassment, but if anyone would also like to ask a question or make a comment or any observation on what has been said, not to hang back.

We have microphones around the room, and you heard so much of interest that I cannot believe that no one has anything they would like to ask.

In that case, it looks to me like the imperative of lunch is prevailing, and therefore it really does leave me nothing more to do, since Professor Kepel has carried out the function of summarizing the findings and recommendations of our panel discussion, but to thank on your behalf all of our panellists, who have travelled, in many cases, a very long way to be with us: thank you very much indeed.