

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Seventh Doha Forum on Democracy, Development and Free Trade

The New Energy Economy

Harnessing the Potential of the Gulf's Population

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Your Excellencies, ladies and gentleman. It's a pleasure and a privilege to be invited to speak at this important conference.

When I sat down to compose my thoughts for this presentation, I started by writing down a question: What does Democracy have to do with economic development and which comes first?

This is , of course, a complex and controversial topic, open to almost limitless interpretation, and fraught with the potential for misunderstanding. Not wishing to concern myself here with the relative merits of pro-portional representation and its applicability to this region, I'll take the term Democracy as a kind of shorthand for good governance—that is, a system that fosters stability and security, economic and political participation among its citizens with open, transparent policies.

For too long, much of the Middle East has been deprived of the fundamentals of human investment—in education, health and adequate job creation. Without these things, there can be no stability, and without stability there can be no economic growth. You cannot expect people to embark on social and political participation when they're preoccupied with where their next meal is coming from.

Large-scale economic transition—creating a vibrant, modern, global economy—begins with providing basic necessities.

Before talking about the current economic situation in the Gulf region and what might be done to improve it, I'd like to provide some historical context.

In general, when we talk about worldwide economic and social revolutions, we use the term 'revolution' loosely. Some of the world's biggest transformational movements—the Age of Reason, the Industrial Revolution, the Internet Age — grew out of relatively long historical processes. The transformations that occurred in the Gulf in the 20th Century, on the other hand, were revolutionary in the truest sense of the word. The discovery of oil in the Arabian Peninsula brought about almost instantaneous changes in the way we lived, worked and thought.

A startlingly short time ago, the social and economic structures of the Gulf existed as they had for centuries. Our economies were based on such traditional enterprises as pearl diving, fishing and trading. Our businesses reflected age-old social structures—with a heavy emphasis on family and tribal ties. Official oversight of this wide-ranging network of small industries was negligible, or even non-existent.

Life was simple, often hard and revolved almost exclusively around what we would today call the Private Sector.

And then, suddenly, oil was being commercially exported and life got a lot more complicated.

Industrialization rumbled into the midst of our desert-pastoral society. Economies focused on the upstream oil and gas sectors and became increasingly centralized. The traditional network of tribal loyalties was superimposed with big government and the welfare state. Small family businesses became both marginalized and subject to often restrictive rules and regulations, and the welfare state, while playing the role of provider and wealth distributor, also has a negative effect on productivity and innovation.

Our economies became increasingly dependent on oil revenues, and fully correlated to fluctuations in the market.

We became mired in, as a speaker at this very forum put it last year, in “a general economic malaise.”

A great deal has been written and said about this so-called malaise in recent years. It has become a regional preoccupation, even a source of shame. And there has been a sense of urgency when it comes to finding a way out of oil dependency and into diversified economic development.

We must, we are told with some alarm, integrate into the global economy, foster technological development, open our borders to trade and investment, develop our human capital, encourage entrepreneurship, foster a broad consumer base and boost our levels of productivity.

Moreover, we are informed that, in order to play “catch-up” with the developed economies of the world, we must do these things by yesterday, at the latest.

From here, I would like to take a position contrary to many regional observers and say that we have faced up to this challenge remarkably well.

When I look around at the region I call home, Qatar in particular, I do not see malaise and stagnation. Yes, oil and gas producing nations in the Gulf have made mistakes in the past, failing to take full advantage of previous economic windfalls, investing in ways that could be seen as unfocussed or shortsighted.

But, for the most part, we have learned from these mistakes. I look around now and I see a region that is dynamic, innovative and determined to turn short-term financial abundance into long-term sustained economic development. I see leaders who are willing to encourage entrepreneurship and enter into fruitful partnerships with the private sector. Above all, I see a meaningful commitment to develop the region's human capital, its greatest natural resource.

This trend is by no means limited to Qatar, but I would like to use, by way of example, some of the positive steps this country's leaders have taken. Under the guidance of His Highness Sheikh Hamad bin Khalifa Al Thani, Qatar has launched a number of initiatives aimed at meeting the challenges of the 21st Century. The country has fostered a business environment that is geared towards regional and global integration. Our economy grows increasingly diversified. Women continue to play a more active role in business and government.

The Qatar Foundation for Education, Science and Community Development, founded a decade ago by H.H. Sheikh Hamad, and chaired by H.H. Sheikha Moza, has led the way in the training and education of the next generation of business and political leaders.

Education City, in Doha, is attracting the best and the brightest from around the world, providing a fertile ground for the kind of research and development needed to achieve competitiveness in the years ahead.

In term of the media, Al Jazeera has grown to become one of the world's most influential, widely known brand and news outlets.

Doha, along with other major capitals in the region, has also embarked on some of the most ambitious construction projects in the world, including my own company's Al Waab City, an undertaking of which I am enormously proud.

Across the Gulf, in every aspect of society and the economy, we are seeing stunning improvements.

This is not to say that we won't face difficult challenges in the years ahead. In some ways, we are once again faced with the task of building a

new economic and social model on top of the old, and there will be periods where we need to readjust ourselves to these new realities.

We will have to provide employment for our growing population. We will need to encourage and coordinate what is still a fragmented and relatively anemic private sector. Our governments will need to adapt, to take on new roles and, more importantly, to relinquish others.

We will need to establish a strong regulatory framework to ensure stability and attract outside investment. We will need to ramp up our manufacturing capabilities and update our technologies. We will need to heighten intra-regional cooperation and prepare ourselves to explore possibilities around the world. The list goes on.

But there is also great hope. The key to progress in the region will be participation. People sometimes speak of the “transformative capacities of the state.” This capacity, I believe, lies for the most part in the hands of the people. Good governance is largely a matter of tapping into the potential of a country’s population. We have hidden reserves of talent in this region, a pent-up spirit of creativity and resource-fulness. Our leaders are charged with creating an environment in which these reserves of human energy can be harnessed.

Transparency , accountability, efficiency , integrity —these things are all aspects of good governance. But, more and more, so is the ability to **inspire**.

Thank You.