



The Hazards of Petroleum Wealth: A Workshop for Reporters to be held at the Radisson SAS Plaza in Baku on November 19, 20 and 21 2003

Hosted by the Initiative for Policy Dialogue and the Public Finance Monitoring Center. Funded by the OSCE, the Open Society Institute (courtesy of the East-East Program and the Network Media Program) and the Initiative for Policy Dialogue.

Managing oil wealth is a challenge for developing and transition countries that are lucky enough to have these resources. Nations need to decide how they can deal with influxes of large revenues without producing distortions of income inequality, corruption, misallocation of resources and macroeconomic imbalances such as high inflation and low growth. Azerbaijan is a test case and could become a role model for other countries with large energy resources depending on how its leadership decides to handle the challenge.

Journalists who attend the three day workshop—to be held in the second half November--will learn about challenges of resource wealth, the experiences of other countries and receive guidance on how to cover some of the technical and macro/micro economic issues involved.

This three day workshop will be open to Azeri journalists who cover business, economics and/or the oil sector. Interested applicants will need to submit samples of their work, their cvs and a brief statement as to why they want to attend and what they hope to learn from the workshop. *Journalists selected will need to attend all the sessions and be prepared to write two stories based on the sessions they attend. These will be critiqued by some of the lecturers at the workshop.*

The Workshop Agenda

Day One—Wednesday November 19

Overview: We will lay out the social and economic dilemmas raised by influxes of resource wealth in order to provide a foundation for discussion of the specific problems facing the Caspian Region and the role Caspian media can play.

10:00-10:30 greetings and introductory remarks by **Anya Schiffrin**, Director of Journalism Programs, Initiative for Policy Dialogue.

10:30-11:30 **Inglab Akhmedov** to discuss “The Impact of Oil Income on the Economy of Azerbaijan.”

11:30-1pm presentation on the Problems of Oil Rich Countries by **Professor Joseph Stiglitz**.

Stiglitz will lay out the challenges that have confronted other countries which are most germane to the Caspian region. These include macroeconomic effects such as Dutch Disease, widening disparities between rich and poor, increased corruption and the weak development of state and private industry.

1-2:00 lunch break

2:00-4:00 Discussion on problems specific to the Caspian Basin. **Nazim Imanov** will look at a number of topics including the potential for pressure from special interests and lack of transparency. **Andrew Finkel** will moderate and help reporters think through how their coverage will be affected by conditions specific to Azerbaijan's economy.

Day Two—Thursday, November 20

The lessons of other countries

10am-1pm **Sabit Bagirov and Ingalb Akhmedov** will discuss the lessons learned from other countries that have had similar policy dilemmas and examine which of their problems apply to the Caspian region and which successes can be emulated.

1-2:00 lunch break

2:00-4pm **Keith Clark** will speak on good governance practices and the importance of transparency as it applies to the design, development, and implementation of the governmental budgets.

Day Three—Friday, November 21

10:00-12:00 Skills workshop to be led by Jenik Radon

Radon will look at the economic knowledge reporters will need to cover the economic and financial aspects of new oil wealth. Discussions would include (a) how oil prices are determined, to help reporters assess whether the country is getting a fair price for the oil; (b) standard contractual arrangements between oil companies and governments, and the problems that have been encountered; (c) how oil production is monitored, so that reporters can obtain independent ways of estimating what revenues ought to be; (d) fluctuations in oil prices and how they affect individual countries; (e) the role of OPEC, and how it can impact on the countries in the Caspian region; (f) monitoring the balance sheets and other financial statements of oil companies and national resource funds; (g) estimating the macro-economic effects of increased expenditures out of a national resource fund, depending on the economic circumstances of the country

12-1pm New Budget Regulations with **Emin Huseynov**. Huseynov will discuss the implications of the new budget systems law which has just been passed in Azerbaijan and the impact this will have on the country's fiscal accounts and operations, including on their transparency and the relationship of the state budget to the Oil Fund, as well as point out some of the keys numbers reporters need to look at.

1pm-2:00 lunch break

2:00-4pm

Sahin Alpay and Andrew Finkel will discuss Action Plan and Strategies for Future Coverage. They will lay out which stories will need covering and likely problems journalists could face and work out an action plan for future coverage and strategies for future reporting bearing in mind problems such as: corruption, lack of information, unwillingness to publish, self censorship, pressure on reporters

The session will include a discussion of examples of “good stories” (with clippings) from other countries, and the problems that were encountered in coverage and how they were dealt with. We can include local publishers and editors in this discussion so as to get a sense of their perspectives.

4pm-5pm closing remarks: Andrew Finkel and Sahin Alpay

filling out of evaluation forms

Speakers:

Inglab Akhmedov is the founder and director of the analytic information agency Trend in Azerbaijan. He also heads the Public Finance Monitoring Center in Azerbaijan. Akhmedov served as an advisor to the Ministry of Economy of Azerbaijan from 1998-1999.

Sahin Alpay teaches political science and Turkish politics at Bahcesehir University in Istanbul. He has served as op-ed editor and columnist at Cumhuriyet, Sabah and Milliyet newspapers of Istanbul, and currently writes a column for Zaman. He hosted a weekly interview show on the Turkish service of CNN, and served for two years on the advisory board of Soros Foundation in Turkey.

Sabit Bagirov is the chairman of the board of Transparency International in Azerbaijan and from 1992-93 was president of the State Oil Company of Azerbaijan (SOCAR), during which he restructured the company for greater efficiency and was responsible for contracts with foreign investors for the development of oil and gas.

Keith Clark is the resident budget advisor from the US Department of the Treasury to Azerbaijan’s Ministry of Finance. He has over 30 years experience in state and local government in the US.

Andrew Finkel--has just completed a Knight Wallace fellowship at the University of Michigan, an appointment in recognition for his work as a foreign correspondent. He has since 1989 written for a variety of publications including The Daily Telegraph, The Times, The Economist, and latterly TIME magazine. He has also worked as a broadcaster and was a regular contributor to CNN. Finkel is unique being the one foreigner to have

had a regular column in a mass circulating Turkish-language newspaper and appears regularly in the Turkish media. He has written in an academic context about issues of press ownership and transparency. He speaks fluent Turkish.

Nazim Imanov --a leading Azeri economist, Imanov was a Deputy of the Milli Majlis of the Republic of Azerbaijan and is one of the founders of the Milli Istiglal Party (National Independence Party).

Jenik Radon—adjunct assistant professor at Columbia University’s School of International and Public Affairs. Radon has worked on a number of pipeline deals in the region. Radon was a lecturer at Stanford University’s Schools of Law and School of Business and in 2000 received the Order of Honor from the Georgian government.

Anya Schiffrin, is the Director of Journalism Programs at the Initiative for Policy Dialogue which has a website for reporters www.journalismtraining.net and organized workshops around the world. Schiffrin spent 10 years working as a business journalist including three years in Amsterdam and two years in Hanoi as bureau chief for Dow Jones Newswires. She has freelanced in Spain, Turkey, Pakistan and the UK. Schiffrin is co-director of the media concentration at Columbia University’s School of International and Public Affairs. Her forthcoming book, *Covering Globalization: A Reporter’s Handbook*, will be published by Columbia University Press in 2004.

Joseph E. Stiglitz—is now Professor of Economics and Finance at Columbia University in New York. In 2001, he was awarded the Nobel Prize in economics. He was a member of the Council of Economic Advisors from 1993-95, during the Clinton administration, and served as CEA chairman from 1995-97. He then became Chief Economist and Senior Vice-President of the World Bank from 1997-2000.