In the long run, however, there is no better substitute than sustainable growth. The UAE government has already implemented several initiatives to support this trajectory, such as the UAE Green Economy Strategy, which aims to increase the economy's resilience to climate change and drive growth through environmental innovation and global collaboration. These efforts underscore the UAE's commitment to becoming a leader in the green economy, setting an example for the region and the world.

In the short run, providing welfare benefits can be helpful. The UAE government has already taken steps to provide direct cash transfers to vulnerable populations. However, there is a need for more comprehensive social support packages to buffer the effects of the heightened inflation. The UAE government could explore more innovative methods, such as targeted subsidies and price controls, to mitigate the impact of inflation on lower-income households.

Second, governments must continue to promote private sector development and streamline regulatory frameworks. The MENA region is one of the least open and the most unequal worldwide. The recent war in Ukraine has exacerbated the existing inflationary pressures in the region. Countries must take urgent action to support their populations and mitigate the economic downturn.

In addition to the indirect consequences of the Ukrainian war on energy and fuel prices, the global food crisis is putting additional pressure on the Middle East economies. According to World Bank estimates, the inflation rate in MENA went up from an average of 7.3% in 2019 to 14.8% in 2021. Inflation reached particularly high levels in Lebanon, Algeria, and Yemen, with the exclusion of the oil-rich economies, the MENA region has one of the highest poverty levels worldwide. On average, approximately 40% of the population in MENA live below the poverty line of $1.90 a day, and approximately 12% live in extreme poverty. This is significantly higher than most of the developing countries in Sub-Saharan Africa and East Asia.

First, MENA governments can focus on making the education and healthcare sectors, which are key to capitalizing on the human capital in the region, more productive and dynamic. In addition, governments can invest in developing the skills of the region's youth, which is a significant source of growth and development. This could include initiatives such as vocational training programs, internships, and job placement services.

Second, governments can also invest in the region's infrastructure, which is essential for attracting foreign investment and improving the business environment, especially with regards to easing access to finance, property rights, and contract enforcement. This could include initiatives such as building new roads, bridges, and airports, as well as improving the efficiency of the regional transportation systems.

Third, governments can also focus on promoting financial inclusion, which is essential for increasing the region's economic growth and reducing poverty. This could include initiatives such as expanding access to banking services, promoting the use of digital payments, and improving the regulatory framework for financial institutions.

So why are heightened inflation rates particularly alarming in MENA, compared to other regions? First, MENA is one of the most unequal regions worldwide. The extreme poverty levels in the region are highest in the world, with one in three people living below the poverty line. Second, the region is heavily dependent on oil exports, which makes it vulnerable to fluctuations in global oil prices. In addition, the region is also heavily reliant on imported food products, which makes it vulnerable to global food price shocks.

In conclusion, MENA governments must act quickly to support their populations and mitigate the impact of inflation. This requires a comprehensive approach that includes both short-term and long-term strategies. In the short run, governments can provide welfare benefits and social support packages to buffer the effects of inflation. In the long run, governments must focus on promoting private sector development, streamlining regulatory frameworks, and investing in human capital and infrastructure. By taking these steps, MENA governments can help pivot towards success.