

# SHOCKS VULNERABILITY AND THERAPY

# 2009

ERF 16th ANNUAL CONFERENCE

November 7 - 9, 2009 | Marriott Cairo Hotel, Cairo, Egypt

## AGENDA

ECONOMIC  
RESEARCH  
FORUM



منتدى  
البحوث  
الاقتصادية

# ERF ANNUAL CONFERENCE

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The Economic Research Forum's Annual Conference is intended to provide a platform for scholars and practitioners to network, debate critical development issues, and share new research ideas. The conference combines plenary and parallel sessions, as well as special events and meetings.

## Conference Theme

The theme of the 16th Annual Conference, to be held in Cairo, Egypt, November 7- 9, 2009, is "Shocks, Vulnerability and Therapy". The choice of theme is motivated by the current financial crisis, although the debate is intended to be much broader covering previous crises as well. There will be three plenary sessions.

### *Plenary Session 1: Shocks, Crises and their Determinants*

This session will explore the frequency, intensity and determinants of external shocks and crises. The speakers will address such questions as: to what extent our current thinking about crises help predict them in an increasingly uncertain world? In which way does the current financial crisis differ from past experiences? What are the root causes of shocks and crises broadly and the recent financial crisis more specifically?

### *Plenary Session 2: Vulnerability to External Shocks*

This session will explore the conditions that make some countries and some groups within countries more vulnerable to external shocks. Speakers will address such questions as: what has been the impact of shocks and crises on economic performance, especially in developing countries? To what extent does global interdependence increase the vulnerability of developing countries and the poor? Finally, what are the costs and benefits for developing countries from integration in global markets?

### *Plenary Session 3: Therapy*

This session will explore alternative policies and institutional arrangements to reduce the frequency and intensity of global crises and limit their impact once they occur. Speakers will address such questions as: In light of the recent crisis, what are the necessary changes in the global financial architecture and what role should financial institutions play? Also, what does the recent crisis mean for the debate about the role of governments versus markets, especially in developing countries? Finally, how best to protect the poor from the negative repercussions of such crises?

## Parallel Sessions

There will be six parallel sessions, covering the following broad areas of economics:

1. Institutional Economics/Governance
2. Finance
3. Macroeconomics
4. International Economics
5. Labor and Human Development
6. Microeconomic and Sectoral Studies

## Workshops

### *Pre-conference workshop on “Natural Resources and Economic Diversification”*

The primary objective of the workshop is to help ERF develop a research agenda in the area of natural resources and economic diversification. To this end, the participants will: (i) review and discuss two papers and written contributions prepared specifically for discussion in the workshop; (ii) explore the implications of frontier research globally for the design of the ERF research agenda, and (iii) propose a set of priorities for the ERF research program.

### *Pre-conference workshop on “Poverty, Growth and Inequality in the MENA Region”*

The objectives of the workshop are to (i) share the preliminary findings of a research project sponsored by ERF and GDN, with a well informed audience; (ii) seek feedback from the participants on the draft papers, and (iii) engage various stakeholders in a discussion about policy options based on evidence-based research. The analysis covers 5 country cases, namely: Morocco, Tunisia, Algeria, Egypt and Syria.

## Meetings

1. Meeting of the ERF Advisory Committee
2. Meeting of the Editorial Board of the ERF Journal
3. Research Fellows Meeting
4. Meeting of the ERF Board of Trustees

# PRE-CONFERENCE EVENTS

## Workshop on Natural Resources and Economic Diversification | Verdi Salon

09:00 – 09:30	<b>WELCOME REMARKS, WORKSHOP CONTEXT AND OBJECTIVES</b> Speaker: <i>Ahmed Galal</i> (Economic Research Forum)
09:30 – 11:00	<b>SESSION 1: RESEARCH PRIORITIES</b> Chairperson: <i>Khalid Sekkat</i> (Economic Research Forum) Speakers: <i>Ibrahim Elbadawi</i> (Dubai Economic Council) <i>Anthony Venables</i> (University of Oxford) Discussants: <i>James Robinson</i> (Harvard University) <i>Imed Limam</i> (Arab Fund for Economic and Social Development)  OPEN DISCUSSION
11:00 – 11:30	<b>COFFEE BREAK</b>
11:30 – 13:00	<b>SESSION 2: RESEARCH PRIORITIES: AN ALTERNATIVE PERSPECTIVE</b> Chairperson: <i>Heba Handoussa</i> (Egypt Human Development Report) Speakers: <i>Mustapha Nabli</i> (World Bank) <i>Daniel Lederman</i> (World Bank) Discussants: <i>Hasan Ersel</i> (Sabanci University) <i>Lyn Squire</i> (ERF Journal, MEDJ)  OPEN DISCUSSION
13:00 – 14:30	<b>LUNCH BREAK</b>
14:30 – 16:30	<b>SESSION 3: INVITED CONTRIBUTIONS AND DISCUSSION OF PRIORITIES</b> Chairperson: <i>Ahmed Galal</i> (Economic Research Forum) Speakers: <i>Mongi Boughzala</i> (University of Tunis, Al Manar) <i>Lant Pritchett</i> (Harvard University) <i>Nadeem Ul Haque</i> (International Monetary Fund) <i>Nisreen Salti</i> (American University in Beirut)  OPEN DISCUSSION

19:00 DINNER FOR ERF JOURNAL (MEDJ) EDITORIAL BOARD MEMBERS | North Balcony

# 6 November 2009

## ERF-GDN Workshop on Poverty, Growth and Inequality in the MENA Region | Memphis Salon

09:00 – 11:00	<b>SESSION 1: INTRODUCTION, PROJECT OVERVIEW AND REGIONAL SETTING</b> Chairperson: <i>Mouna Cherkaoui</i> (University Mohammed V) Welcome Remarks: <i>Khalid Sekkat</i> (Economic Research Forum) <i>Gerardo della Paolera</i> (Global Development Network) Speakers: <i>Sami Bibi</i> (University of Laval) <i>Aurora Angeli</i> (University of Bologna) Discussants: <i>Ali Abdel Gadir Ali</i> (Arab Planning Institute) <i>Massoud Karshenas</i> (University of London) OPEN DISCUSSION
11:00 – 11:30	COFFEE BREAK
11:30 – 13:00	<b>SESSION 2: ANALYSIS OF PRO-POOR GROWTH IN THE MAGHREB COUNTRIES</b> Chairperson: <i>Samir Makdisi</i> (American University in Beirut) Speakers: <i>Mouna Cherkaoui</i> (University Mohammed V) <i>Touhami Abdelkhalek</i> (National Institute of Statistics and Applied Economics) <i>Sami Bibi</i> (University of Laval) <i>Belkacem Laabas</i> (Arab Planning Institute) Discussants: <i>Serdar Sayan</i> (University of Economics and Technology) <i>Ruslan Yemtsov</i> (World Bank) OPEN DISCUSSION
13:00 – 14:30	LUNCH BREAK
14:30 – 16:00	<b>SESSION 3: ANALYSIS OF PRO-POOR GROWTH IN EGYPT AND SYRIA</b> Chairperson: <i>Alia El Mahdi</i> (Cairo University) Speakers: <i>Heba El Laithy</i> (Cairo University) <i>Anda Mariana David</i> (University Paris I, Panthéon Sorbonne) Discussants: <i>Ragui Assaad</i> (University of Minnesota) <i>Nader Kabbani</i> (Syria Trust for Development) OPEN DISCUSSION
16:00 – 16:30	COFFEE BREAK
16:30 – 18:00	<b>SESSION 4: BRAINSTORMING SESSION ON "THE POLITICAL ECONOMY OF INEQUALITY IN THE ARAB WORLD"</b> Chairperson: <i>Mustapha Nabli</i> (World Bank) Speaker: <i>James Robinson</i> (Harvard University) OPEN DISCUSSION
20:00	DINNER FOR WORKSHOP PARTICIPANTS

# DAY ONE

8:00 – 9:00 REGISTRATION

9:00 – 11:30 OPENING AND PLENARY SESSION 1:  
SHOCKS, CRISES AND THEIR DETERMINANTS

Chairperson: *Abdlatif Al-Hamad* (Arab Fund for Economic and Social Development)

Opening Remarks: *Ahmed Galal* (Economic Research Forum)

Welcome Remarks: *H.E. Osman M. Osman* (Minister of Economic Development, Egypt)

Speakers:  
*Mongi Boughzala* (University of Tunis, Al-Manar)  
*Justin Lin* (World Bank)  
*Anthony Venables* (University of Oxford)

11:30 – 12:00 COFFEE BREAK

12:00 – 13:30 PARALLEL SESSIONS

## INSTITUTIONAL ECONOMICS

Institutions and the Provision  
of Public Goods

*Al Farafra*

Chairperson: *Heba Nassar*

Speakers:  
*Burçay Erus and Nazlı Aktakke*

Impact of Healthcare Reforms on  
Out-of-Pocket Health Expenditures  
in Turkey for Public Insurees

*Wided Mattoussi*

Adoption of Modern Irrigation Tech-  
nologies in the Presence of Water  
Theft and Corruption

Discussant:  
*Hadi Esfahani*

## FINANCE

External Shocks, Foreign Banks  
and Stock Markets

*Al Fayoum*

Chairperson: *Faika Al Refaie*

Speakers:  
*Mahmoud Haddad and Sam Hakim*

Have Foreign Banks Contributed to  
the Spread of the Global Financial  
Crisis to Saudi Arabia?

*Mohamed El Hedi Arouri and  
Christophe Rault*

On the Influence of Oil Prices on  
Stock Markets: Evidence from Panel  
Analysis in Gulf Corporation Coun-  
tries

Discussant:  
*Osman Suliman*

## MACROECONOMICS

Monetary Unions and  
Business Cycles

*Thebes Salon*

Chairperson: *Samir Makdisi*

Speakers:  
*Magda Kandil and Mohamed  
Trabelsi*

Is the Announced Monetary  
Union in GCC Countries Feasible?  
A Multivariate Structural VAR  
Approach

*Imed Medhioub*

Business Cycle Synchronization: A  
Mediterranean Comparison

Discussant:  
*Serdar Sayan*

13:30 – 15:00 LUNCH BREAK

11:30 – 12:00

## INTERNATIONAL ECONOMICS

Evaluation and Trade Liberalization

Verdi Salon

Chairperson: *Raed Safadi*

Speakers:

*Nadia Belhaj Hassine, Veronique Robichaud, and Bernard Décaluwé*

Agricultural Trade Liberalization, Productivity Gain and Poverty Alleviation: A General Equilibrium Analysis

*Jeffrey Nugent and Abla Abdel Latif*

A Quiz on the Net Benefits of Trade Creation and Trade Diversion in the QIZs of Jordan and Egypt

Discussant:

*Hana Kheir-El-Din*

## LABOR AND HUMAN DEVELOPMENT

Returns to Education and Gender Poverty

Memphis Salon

Chairperson: *Ritva Reinikka*

Speakers:

*Ozan Bakis, Nurhan Davutyan, Haluk Levent, and Sezgin Polat*

Social Returns to Higher Education in Turkey: A Quantile Regression Approach

*Sami Bibi and Rim Chatti*

Gender Poverty in Tunisia: Is There a Feminization Issue?

Discussant:

*Cem Baslevant*

## MICROECONOMICS

Productivity in Manufacturing and Pharmaceuticals

Al Baharia

Chairperson: *Mohamed Sakr*

Speakers:

*Lahcen Achy, Samy Ben Naceur, Adel Ben Youssef, and Samir Ghazouani*

Restructuring and Efficiency in the Manufacturing Sector: A Firm Level Approach Applied to Morocco

*Azza El-Shinnawy*

Trends of Total Factor Productivity in Egypt's Pharmaceutical Industry: Evidence from the Nonparametric Malmquist Index Approach

Discussant:

*Azzeddine Azzam*

13:30 – 15:00

# DAY ONE

15:00 – 16:30 PARALLEL SESSIONS

## INSTITUTIONAL ECONOMICS

Effectiveness of Formal and Informal Institutions

Al Farafra

Chairperson: *Mustapha Nabli*

Speakers:  
*Fathi Abid and Slah Bahloul*

MENA Countries' Attractiveness to G-7 Investors

*Christine Binzel and Dietmar Fehr*

How Social Distance Affects Trust and Cooperation: Experimental Evidence from a Slum

Discussant:  
*Jeffrey Nugent*

## FINANCE

Coping with Crises

Al Fayoum

Chairperson: *Magda Kandil*

Speakers:  
*Wajih Khallouli and Mahmoud Sami Nabi*

Financial Crises' Prevention and Recovery

*Isabelle Distinguin, Iftekhar Hasan and Amine Tarazi*

The Use of Accounting Data to Predict Bank Financial Distress in MENA Countries

Discussant:  
*Mahmoud El Gamal*

## MACROECONOMICS

Monetary Policy and Liquidity

Thebes Salon

Chairperson: *Alia El Mahdi*

Speakers:  
*Hoda Selim*

Has Egypt's Monetary Policy Changed After the Float?

*Mohamed Benbouziane, Abdelhak Benamar and Mustapha Djennas*

The Liquidity Effect in Algeria and Morocco: A Multivariate Threshold Autoregressive Investigation

Discussant:  
*Simon Neaime*

16:30 – 17:00 COFFEE BREAK

17:00 – 19:00 RESEARCH FELLOWS MEETING (CLOSED MEETING) | [Verdi Salon](#)

20:30 WELCOME DINNER



# 7 November 2009

15:00 – 16:30

## INTERNATIONAL ECONOMICS

Determinants of Foreign Exchange

Verdi Salon

Chairperson: *Adel Beshai*

Speakers:  
*Hanan Morsy*

Current Account Determinants for Oil-Exporting Countries

*Ridha Noura, Patrick Plane and Khalid Sekkat*

Exchange Rate Undervaluation and Export Diversification: A Deliberate Strategy

Discussant:  
*Nadeem Ul Haque*

## LABOR AND HUMAN DEVELOPMENT

Multidimensional Measures of Poverty

Memphis Salon

Chairperson: *Lahcen Achy*

Speakers:  
*Valérie Berenger*

Multidimensional Fuzzy Poverty and Pro-Poor Growth Measures in Non-Monetary Dimensions in Egypt between 1995 and 2005

*Touhami Abdelkhalek and Fouzia Ejjanoui*

Approche Multidimensionnelle De La Pauvreté: Présentation Théorique et Application Au Cas De La Ville De Marrakech

Discussant:  
*Ragui Assaad*

## MICROECONOMICS

Firm's Behavior and Externalities

Al Baharia

Chairperson: *Mohamed Matoussi*

Speakers:  
*Housseem-Eddine Chebbi, Marcelo Olarreaga, and Habib Zitouna*

Trade Openness and CO<sub>2</sub> Emissions in Tunisia

*Adel Ben Youssef, Walid Hadhri, and Hatem M'henni*

Intra-firm Diffusion of Innovation: Evidence from Tunisian SME's in Matter of Information and Communication Technologies

Discussant:  
*Mohamad Amerah*

16:30 – 17:00

# DAY TWO

9:00 – 11:00 **PLENARY SESSION 2:**

**VULNERABILITY TO EXTERNAL SHOCKS**

**Chairperson:** *Jeffrey Nugent* (University of Southern California)

**Speakers:** *Francois Bourguignon* (Paris School of Economics)  
*Hasan Ersel* (Sabanci University)  
*Martin Ravallion* (World Bank)

11:00 – 11:30 **COFFEE BREAK**

11:00 – 16:00 **ERF BOARD OF TRUSTEES MEETING (CLOSED MEETING) | Al Baharia**

11:30 – 13:00 **PARALLEL SESSIONS**

## **INSTITUTIONAL ECONOMICS**

The Interaction Between Politics and Economic Outcomes

**Al Farafra**

**Chairperson:** *Heba Handoussa*

**Speakers:**  
*Ahmad Khasawneh and Kabir Hassan*

The Determinants and Policy Implications of Off-Balance Sheet Activities in the MENA Countries

*Ali Akarca and Cem Baslevant*

Inter-Party Vote Movements in Turkey: the Role of Economic Evaluations

**Discussant:**  
*Imed Limam*

## **FINANCE**

Market Power in the Banking Sector

**Al Fayoum**

**Chairperson:** *Marwan Al-Zoubi*

**Speakers:**  
*Rima Turk Ariss*

On the Implications of Market Power in Banking: Evidence from Developing Countries

*Laurent Weill*

Do Islamic Banks Have Greater Market Power?

**Discussant:**  
*Wafic Grais*

## **MACROECONOMICS**

Transmission Mechanisms of External Shocks

**Thebes Salon**

**Chairperson:** *Ali Soliman*

**Speakers:**  
*Bedri Kamil Onur Tas*

Determinants of Time Varying Sensitivity of MENA Countries to Global Shocks: A State Space Approach

*Abderrahim Chibi, Mohamed Benbouziane, and Sidi Mohamed Shkoury*

The Macroeconomic Effects of Fiscal Policy Shocks in Algeria: An Empirical Study (in Arabic)

**Discussant:**  
*Ibrahim Elbadawi*

13:00 – 14:30 **LUNCH BREAK**

# 8 November 2009

11:00 – 11:30

11:30 – 13:00

## INTERNATIONAL ECONOMICS

Trade Openness and the Demand for Skills and Technology

Verdi Salon

Chairperson: *Subidey Togan*

Speakers:  
*Chahir Zaki*

Towards An Explicit Modeling of Trade Facilitation in CGE Models: Evidence from Egypt

*Monia Ghazali*

Trade Openness, Relative Demand of Skilled Workers and Skill Biased Technological Change in Tunisia, 1998-2002

Discussant:  
*Bernard Hoekman*

## LABOR AND HUMAN DEVELOPMENT

Division of Labor, Polarization and Earnings

Memphis Salon

Chairperson: *Fatih Ozatay*

Speakers:  
*Ines Bouassida and Abdel Rahmen El Lahga*

Household Expenditure Polarization: Evidence from the Arab Region

*Rana Hendy*

Rethinking the Division of Labor within Egyptian Households: Market Work Versus Domestic Production

Discussant:  
*Insan Tunali*

## MICROECONOMICS

Liberalization, Regulation and Incentives

Eugenie Salon

Chairperson: *Hassan Aly*

Speakers:  
*Mohamed Salah Matoussi and Wided Mattoussi*

On the Design of Total Water Use-based Incentive Schemes for Sustainable Groundwater Management

*Mahdi Majbouri*

Is Regulation Better than Liberalization? Challenge Revisited

Discussant:  
*Izak Atiyas*

13:00 – 14:30

# DAY TWO

14:30 – 16:00 PARALLEL SESSIONS

## FINANCE

Credit Allocation  
and Non-Performing Loans

Al Fayoum

Chairperson: *Sultan Abou-Ali*

Speakers:

*Gulsun Akin, Ahmet Faruk Aysan,  
Gazi Ishak Kara and Levent Yildiran*

Non-Price Competition in Credit  
Card Markets Through Bank Level  
Benefits

*Abdelkader Boudriga, Neila Boulila  
Taktak and Sana Jellouli*

Bank Specific, Business and Insti-  
tutional Environment Determinants  
of Nonperforming Loans: Evidence  
from MENA Countries

Discussant:

*Adel Boughrara*

## MACROECONOMICS

Exchange Rate, Volatility and  
Economic Performance

Thebes Salon

Chairperson: *Ali Abdel Gadir Ali*

Speakers:

*Fathi Abid and Moncef Habibi*

Hedging Transaction Exposure  
Within The Context of a Basket For-  
eign Exchange Rate Arrangement

*Afrah Larnaout Gouider and  
Mohamed Trabelsi*

On the Importance of External  
Financial Reform for Output Fluc-  
tuations? Evidence from Developed  
and Emerging Economies

*Hakan Berument, Nergiz Dincer,  
and Zafer Mustafaoglu*

Effects of Growth Volatility on  
Economic Performance

Discussant:

*Mine Cinar*

## MICROECONOMICS

Restructuring, Cherry Picking  
and Firm Performance

Eugenie Salon

Chairperson: *Gouda Abdel-Khalek*

Speakers:

*Canan Yildirim*

Cherry Picking or Driving Out Bad  
Management: Foreign Acquisitions  
in Turkish Banking

*Sofiane Ghali and Pierre Mohnen*

Retrospective Analysis of the  
Evolution of Tunisia's Total Factor  
Productivity Growth Potential over  
the Period 1983-2001

Discussant:

*Khalid Sekkat*

19:00

DINNER

# 8 November 2009

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## **ERF Contact Information**

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# DAY THREE

9:00 – 11:00 **PLENARY SESSION 3:**  
**THERAPY**

**Chairperson:** *H.E. Abdel Aziz Hegazy* (Former Prime Minister, Egypt)

**Speakers:** *Masood Ahmed* (International Monetary Fund)  
*Mahmoud El Gamal* (Rice University)  
*Gerardo della Paolera* (Global Development Network)

11:00 – 11:30 **COFFEE BREAK**

11:30 – 13:00 **PARALLEL SESSIONS**

<b>MACROECONOMICS</b> Fiscal Policy, Choices and Implications for Investors  <b>Thebes Salon</b>	<b>INTERNATIONAL ECONOMICS</b> Trade, Distribution and Poverty  <b>Verdi Salon</b>	<b>LABOR AND HUMAN DEVELOPMENT</b> Equality of Opportunity and Migration  <b>Memphis Salon</b>
<p><b>Chairperson:</b> <i>Mouna Cherkaoui</i></p> <p><b>Speakers:</b> <i>Sarra Ben Slimane and Moez Ben Tahar</i></p> <p>Why is Fiscal Policy Procyclical in MENA Countries?</p> <hr/> <p><i>Brahim El Morchid</i></p> <p>L'impact des Congés Fiscaux sur le Coût D'usage Du Capital Dans les Pays Arabes: Cas Du Maroc</p> <p><b>Discussant:</b> <i>Mongi Boughzala</i></p>	<p><b>Chairperson:</b> <i>Mohamed Lahouel</i></p> <p><b>Speakers:</b> <i>Rana Hendy and Chahir Zaki</i></p> <p>Rethinking the Redistribution Effects of Trade Liberalization in Egypt: A Microsimulation Analysis</p> <hr/> <p><i>Rim Chatti and Faycel Zidi</i></p> <p>The Impact of Trade Liberalization on Regional Growth and Poverty in Tunisia</p> <p><b>Discussant:</b> <i>Bernard Décaluwé</i></p>	<p><b>Chairperson:</b> <i>Massoud Karshenas</i></p> <p><b>Speakers:</b> <i>Nadia Belhaj Hassine</i></p> <p>Inequality of Opportunity in Egypt</p> <hr/> <p><i>Asmaa Elbadawy and Rania Roushdy</i></p> <p>Impact of International Migration and Remittances on Child Schooling and Child Work: The Case of Egypt</p> <p><b>Discussant:</b> <i>Jackline Wahba</i></p>

13:00 – 15:00 **LUNCH BREAK**

15:00 – 16:00 **PLENARY SESSION 4: AWARDS CEREMONY AND CLOSING**

11:00 – 11:30

## MICROECONOMICS

Health Insurance, Agricultural Policy  
and Poverty

*Al Baharia*

Chairperson: *Zeki Fattah*

Speakers:

*Rosalía Vazquez-Alvarez*

Employer's Paid Mandatory  
Health Insurance and Household's  
Inequality in the UAE

*Mohamed Chemingui*

Poverty Effects from Reforming  
the Common Agriculture Policy in  
A Spatially Heterogeneous Agricul-  
tural Economy

Discussant:

*Sami Bibi*

13:00 – 15:00