

forum forum

Newsletter of the Economic Research Forum

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A Word from the Managing Director

In praise of change

Change, it seems, is the name of the game. The ERF region is going through a series of political transformations that are changing the political and economic landscapes in ways we could only have imagined a few months ago. Those changes reverberated throughout the ERF 17th Annual Conference in Antalya, Turkey last month. While the theme of the conference—Politics and Economic Development—had been decided almost a year earlier, it proved to have been a remarkably serendipitous choice. The conference, always a forum for active and engaging discussion, took on a new edge because of the relevance of current events.

Change was also apparent in the conference itself; which benefitted from new applications of online and visual media to expand coverage of its events, almost as soon as they happened.

And finally, this issue of Forum is slightly different from the last. For a start, you'll notice its fashionably late appearance – the ERF newsletter will now be published in April and October to better accommodate the Annual Conference in March. Indeed, this issue offers a run-down of the ERF 17th Annual Conference, including a look at the Plenary sessions, which dealt with the politics of policymaking, whether institutional constraints on policymakers worked and—perhaps most appropriately, considering the circumstances—political and economic transformation.

There's also a detailed look at ERF events, including the preconference workshop on the Jordanian Labor Market Survey, which showcased the draft papers for this important initiative.

The issue also includes news about ERF research activities, recent affiliates, ERF associates who have been granted prestigious awards, two book reviews and the latest on the new ERF premises.

I am sure the changes within the ERF region are for the better. For changes within ERF and in this Forum newsletter I only hope they are in the same direction.

Enjoy the issue,

Ahmed Galal

A handwritten signature in black ink, appearing to read 'AG Galal', written in a cursive style.

Who knew?

Or, how a conference topic that was originally deemed to be a good choice turned out to be a great one

Much as they would like to believe otherwise, think tanks aren't generally in the divination business. But although they can't tell the future, they can make educated guesses based on solid research.

ERF is no exception. Over a year ago, when the theme for the upcoming 17th Annual Conference was selected, everyone thought it would be an engaging and appropriate topic. No one, of course, had any way of knowing just how appropriate it would become.

The theme was *Politics and Economic Development* and it turned out to be an extremely good call. The recent political tumult throughout the ERF region has surprised all and given hope to many. And while the ERF conferences have always attempted to go beyond merely discussing specific questions to exploring the underlying causes, this time there was a new impetus. The questions, rooted in research were sharpened by personal experience and hope and the resulting discussions transcended the theoretical into the practical.

There were, as usual, three plenary sessions. The first—*Democracy (Open Society) and Economic Development: the Politics of Policymaking*—was intended to revisit the relationship between the nature of political regimes, regardless of

the actual level of democratization, policymaking and development outcomes. It questioned whether the economic success of undemocratic countries invalidated theories that democracy was necessary for development or those that held that democracy was inevitable once economic success kicked in. It also asked about what we know about how societies became more politically and economically open or sophisticated.

On ERF's regional value and the relevance to current events.

ERF's importance stems from the fact that for the first time in the region, we have an institution which overlaps the whole Arab world, Turkey and Iran and I think we have a lot of lessons to learn from each other. There is a complementarity; the whole world is becoming globalized and I feel it is important for us to become regionalized. ERF has done a great job in producing very important research papers and I hope they will continue to produce relevant research. Of course, with the events that are taking place in the region, we really have to gear our minds—and our resources—to understanding the events and the prioritization of the research in order to be relevant and effective in our region.

Abdlatif Al-Hamad, The Arab Fund for Social and Economic Development



BoT chairman Abdlatif Al-Hamad

The session kicked off with a welcome by ERF Board of Trustees Chairman Abdlatif Al-Hamad who also expressed his pleasure at the choice of venue, calling Turkey a dynamic country. Al-Hamad later noted his belief in the importance of ERF's work, pointing out that its regional coverage was one of its strengths. "The whole world," he said, "is globalizing. We need to be regionalizing."

Managing Director Ahmed Galal's opening remarks must have been rather galling for an economist to make; economic development is often driven by politics. Not only does politics form policies, it also dictates who benefits from them. "So really, you have to start with politics," he said.



Samir Makdisi expanding on the political environment in the Arab world

Democracy (Open Society) and Economic Development: The Politics of Policymaking

The first speaker to take the floor was Harvard University's Ricardo Hausmann. His take on matters was deceptively simple. Economic marketplaces have an ability to regulate themselves, since factors have a response stimulus – usually a profit-making motive. Governments, however, don't usually have these built-in systems, despite the fact that they need to regulate order, property rights etc. The best way to ensure such a system (essentially a safety-mechanism) was plurality. You needed multiple groups ensuring comprehensive coverage of myriad issues. The U.S. for example had 10 times as many registered lobbies as congressional committees. Regardless of how one feels about lobbyists, between the lot of them, they ensure that both sides of any issue will be covered. It was probably one of the few instances of a positive comment about lobbyists that one is ever likely to hear.

For all those caught up in revolutionary euphoria, Hausmann cautioned that the transition to a

working democracy would not be easy – a statement repeated by just about every speaker at the conference. Democracy, he noted, requires not only building civil society, but also reaching a 'competitive equilibrium' between economic and political competition. In many Western democracies, institutions, laws and public participation all co-evolved over time. This evolution is key to providing what Hausmann calls the "fitness-function." This allows complex self-organising systems to interact with their environments, creating a feedback-loop, and allowing institutions to adapt to different contexts.

Next up was Samir Makdisi of the American University of Beirut. His comprehensive presentation ran through the political environment of the Arab region, the reasons for what he termed the regional "democracy deficit" and finally, the possibility of a transition to democracy. Makdisi asked the question on everyone's minds: "Will the recent uprisings of Tunisia and Egypt usher in a sustained move from autocracies to substantive democracies in the Arab World accompanied by solid and equitable devel-

On the importance of plurality in political systems.

The market economy has an ability to sort itself out, since factors have a response stimulus (generally a profit-making motive). However, government generally don't – so what is it I a government system that allows the system to respond? It's a different case for different countries.

In the U.S., for example, there are about 228 committees in Congress. Facing those, there are about 22,000 registered lobby groups, looking at all subjects; some of the want to save the whales, some of them want to eat whales. Point being, many, many issues are informed and addressed.

Of course, those lobby groups also participate in funding the electoral campaigns of the candidates and this may actually be part of the incentive structure. It creates incentives for politicians to listen and to be responsive. Now, it can be corrupted, it can be hijacked, but it is much more likely to be corrupted if there are 3 lobby groups than if there are 22,000. Because typically, that number means that there will be arguments for both sides of any issue. And politicians become educated very quickly on both sides of any issue.

I put it to you, in order to have a functioning political system, governments have to open it up to the possibility of many people participating in the process, so that you have something like a political market accompanying the economic market.

Ricardo Haussman, Harvard University

opment? Indeed, will the march toward democracy in both Tunisia and Egypt be fully consolidated with all their developmental implications?"

He noted that although many Arab states had indeed witnessed considerable economic liberalization, this had not necessarily led to any significant resulting gains in terms of democracy. This was largely due to the general impotence of institutions and what he referred to as collusion between those in power and those in big business accompanied by high levels of corruption. As a result, the majority of Arab countries rank in the bottom half of the Transparency International Corruption Index for 2009. Accordingly, regardless of the benefits of economic liberalization, developmental outcomes have suffered.

Interestingly enough, these problems appeared across the regional board: the lack of transformation to substantive democracies applies to Arab countries with relatively low levels of per capita income, (e.g. Yemen with per capita income of \$565 for 2009 at 2000 prices) as well as those with relatively high levels of per capita income (rang-

ing from \$10000-\$38,000 for 2009 at 2000 prices) for the Gulf oil countries.

Makdisi also threw down another gauntlet onto the debating table: "Does the Arab region need to follow a Western model of democratic transformation?"

Finally, The University of Maryland's John Wallis discussed the relationship between politics and economics – more specifically how political states control violence through economic means.

Wallis described two sets of states – Natural, or limited access, states and Open Access Order states. The first political system, the Natural, creates economic rents through limited access and then uses the rents to sustain order. While this means that few have political or economic privileges, it is a solution to endemic violence. Most societies tend to be limited access states.

The more desirable open access order theoretically allows economic and social privileges to everyone resulting in myriad political and social organizations. It's the competition between those organizations that disciplines the political system.

In transitioning economies, Wallis noted that the checks and balances provided by civil society and its institutions are not in place and therefore, speed wasn't as desirable as caution. Trying to fill the resulting void with artificial checks would be deemed corrupt in developed societies and is perhaps not the best way to begin a democratic transition.

That evening's Welcome Dinner featured a keynote speech by political economist James Robinson of Harvard University. Robinson discussed his forthcoming book, Why Countries Fail. The book proposes an explanation for current world inequality based on how institutional differences across coun-



Harvard Economist James Robinson

tries influence the incentives and constraints their citizens face.

It provides an historical account of why institutions in different parts of the world diverged and why sustained economic growth has only emerged over the last 250 years.

Do Institutional Constraints on Policymakers Work?

The second day’s plenary session—Do Institutional Constraints on Policy-makers Work—asked whether it mattered whether a country adopted institutional reforms that put constraints on policymakers, for example, to promote central bank independence, fiscal balance, effective stabilization funds, capital account stability or decentralization of decision-making? It also asked under which conditions those rules were effective and credible.

Ibrahim Elbadawi, Macroeconomic Research Department Director at the Economic Policy & Research Institute (EPRI) addressed the relation between fiscal rules, political checks and balances and democracy. Why are fiscal rules important? When do governments tend to adopt fiscal regime? Is there a direct correlation between democracy index and checks and balances in determining fiscal policies? In his presentation, he underlined how rules-based policies are designed to protect and shield government fiscal policies from external economic shocks.

However, the preliminary findings of his research suggest that, while democracy is very important for the MENA region and it has many virtues, it is also not enough to restrain governments. In this sense, checks and balances are needed as well.

Gary Milante of The World Bank, presented the findings of the World Development Report 2011: Conflict, Security and Development, published on April 11th 2011. The report looks at the effects of violence on development and is the first of its kind to address the interaction between the economic, political and security spheres.

Milante pointed out that 1.5 billion people live in countries affected by violence, which is significantly diminishing their capacity for economic and social development. The report argues that institutions can help to develop resilience against violence in these environments, especially by helping in insulating and protecting people living in such societies.

The process of moving from experiencing violence to developing resilience is a long one. Reforms and changes take place, restoring confidence, and transforming institutions. However, institutional transformation is not enough. There is need for a mechanism to prove a new social order has formed.

It was left to Lant Pritchett of Harvard University to debunk the myth that policies were vital to the way

On how to build a democracy, institutionally speaking

Building a democracy may be a very exciting thing but it’s a very difficult thing to do. Specifics are needed – specific institutions. You need to be careful what rules are set up because it’s likely that they may not be followed. You need to ensure that the rules-based system is actually moving you forward.

You need to develop a virtuous circle where you gain some success and then that gives you some legitimacy, which allowed you to move forward until you have a rules-based system that works. Which rules they are isn’t important; what is important is that it’s a functioning rules-based system.

Caroline Freund, The World Bank

a nation was run. Essentially, he said, it was norms that ran states and not policies because very often, the rules on the ground that businesses and economic agencies had to deal with, bore little or no relation to the policies in place. And while it was easy to pontificate about “good” rules and “bad” ones, it was significantly trickier to make the transitions to sensible, effective policies. Policies must reflect norms if they are to correlate with practice.

Pritchett was keen to point out that ‘institutional’ structures are not the key to achieving a successful transition to democracy, because institutions are ultimately governed by social norms. The world’s most powerful democracies have varying institutional structures and there is no pre-defined model for success.

In light of the regional political transformations, he suggested that Egypt, for example not get lost in

On the gap between formal policies and actual practice

One of the problems with a weak capacity to implement, all over the world, is that what businesses and economic agencies actually face bears very little resemblance to what’s in the laws or on the books. Formal policies or institutions may or may not have impact or success. At the same time, broad-based reforms of institutions only have traction on how rules are implemented very, very slowly.

So one of the tricky problems is that we’re very good at saying what good rules look like but very, very weak on how to manage the difficult transition from bad practice to good practice.

Lant Pritchett, Harvard University

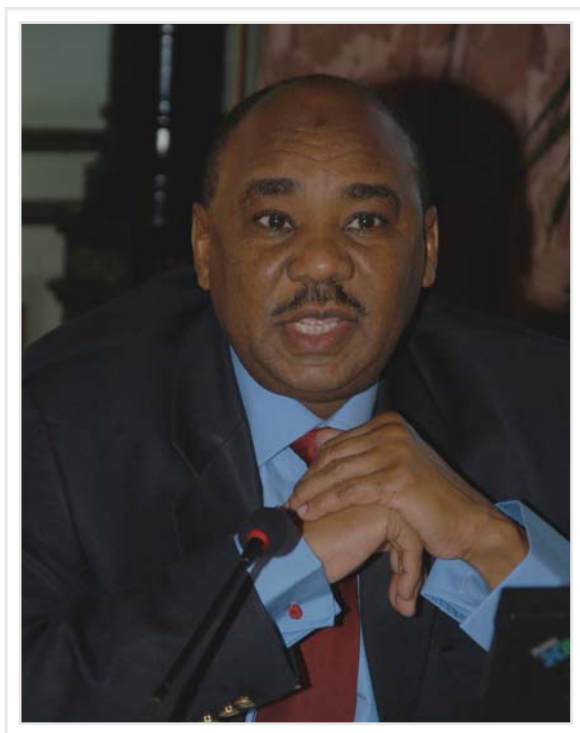
institutional building. It would do better, he said, to focus on a small number of key areas that might help usher a change in social norms across society. In other words, technocratic reform doesn’t work, unless a social movement among the dominant forces in society takes effect.

Political and Economic Transformation

The final plenary was perhaps the most eagerly anticipated, in light of the regional political events. It was set to explore the drivers and dynamics of political and economic transformation, with a special focus on the ERF region. To what extent does the recent regional furor invalidate the authoritarian bargain model, in which people are assured certain economic gains in return for accepting limited political freedom? Is there a tipping point at which this bargain breaks down? And, in light of these changes, what can the rest of the region expect, going forward?

Mustapha Nabli, formerly of The World Bank and now Governor of the Central Bank of Tunisia kicked off the session by noting that “these have been wild months, our own Mediterranean tsunami,” but what next for new emerging democracies across the Arab region?” He outlined a number of key proponents that might ensure the sustainability of the democratic movements in Egypt and Tunisia.

The first was the need for inclusive growth, dependent on the creation of better quality jobs that meet the expectations of increasingly educated young people. The second was the need to tackle systemic corruption, which would help remove economic and political uncertainty. A third point was the



Ibrahim Elbadawi

need for introducing good governance, stating “we might have democracy established, but we won’t reap the benefits unless the checks and balances associated with good governance are implemented.”

He noted that there was almost certainly likely to be a decline in economic growth, and so economic stability is vital in ensuring a negative feedback loop does not emerge between politics and the economy.

The Dubai School of Government’s Tarik Yousef’s comments were nothing if not personal. “For over 40 years I have possessed no sense of national pride, until now,” he said. “Now I feel like telling the world I am Libyan; I owe a huge debt of gratitude to the young people who have brought about this awakening.”

Yousef outlined in his presentation that the non-democratic regimes across the region have ultimately lost much of their legitimacy, and their ability to reinforce the non-democratic equilibrium. The balance of this equilibrium, he said, was tipped by the active voice of young educated people across the region through their calls for freedom.

The future challenge lies in the fact that there is no blueprint for how we meet the challenges ahead, but Yousef is confident that “the revolution will translate its energy into economic and political blueprints” that have ability to sustain democratic transition.”

The World Bank’s Ishac Diwan’s presentation—Arab revolution: how economics can help—built on this sentiment by stating that the youth should become entrepreneurs of the system. They need to become part of the coalition, and have access to finance and capital so that they can become the beacon of growth and development (e.g by building SMEs).

Diwan also highlighted the need for a coalition between the poor, the youth, and capital. He felt that if one of these elements was not represented the system that emerges would become unstable.

The session concluded with the view that academics had an important role in helping the public understand the issues and challenges facing the region, and potential ways of overcoming them.



L to R, Tarik Yousef, Ishac Diwan, Sue Szabo and Mustapha Nabli

Going Viral

In light of all the regional changes it seemed only fitting that the conference receive something of a new feel as well. The 17th Annual Conference was the first to have its own dedicated blog, which contained detailed, up to the minute coverage of the conference and video interviews with many of the participants. The blog, which may be seen here <http://erfblog.wordpress.com/17th-annual-conference/multimedia/> received over 2,000 visits.

The video interviews, in particular, allowed coverage of events and aired views that would not otherwise have been available. Among them were interviews with many participants who had papers at the parallel sessions. The video interviews may all be accessed here: <http://erfblog.wordpress.com/17th-annual-conference/multimedia/>



Harvard's Ricardo Hausmann being interviewed for the ERF blog coverage

ECONOMIC RESEARCH FORUM BLOG

2011 POLITICS AND ECONOMIC DEVELOPMENT

ERF 17th ANNUAL CONFERENCE
March 20-22, 2011
Renaissance Antalya Beach Resort & Spa, Turkey

ERF Research to Play Key Role for Transitional Democracies Across Arab Region
March 24, 2011 by euforicservices

During the last day of the ERF 17th Conference, we had the great pleasure and opportunity to record a short interview with **Mr. Abdiatif Al-Hamad**, ERF Chairman of the Board and Chairman of the Arab Fund for Economic and Social Development.

In the video below, Mr. Al-Hamad reflects on the importance of the Economic Research Forum and the role it can play in the context of the recent developments in the Arab region.

Daily email updates
Press releases - Arabic language
The ERF Conference Blog and online reporting is led by GDNNet

TWITTER UPDATES
erflatest: ERF 2011 Best Paper Award Trailer (#Video)
<http://goo.gl/tb3D+nW>
#erf2011 #awards #research #on

Celebrating Excellence

Best Paper Awards

Tradition dictates that one saves the best till last and in many ways, the Best Paper Awards represent the best of all that ERF encourages – a dedication to the pursuit of excellence. The Awards were created to encourage and celebrate exceptional research efforts. The papers submitted to the conference are assessed by a committee of internationally recognized academics from the ERF network, who judge them on the following criteria: whether the paper adds substantially to existing research in its field, sound methodology, meticulous research execution and finally, policy relevance. The awards are presented to authors of the best papers presented in each theme. Traditionally, the Best Paper Awards ceremony wraps up the conference. This year, however, the proceedings kicked off with a video about the importance of awards, to both the winners and to ERF. The video, a collaboration between ERF and GDNNet, proved a hit with the participants. It may be viewed here: <http://www.youtube.com/watch?gl=US&feature=related&v=xmCexCHbEZ8>. The winners of the ERF 17th Annual Conference Best Paper Awards are listed below, along with abstracts of their papers.

Microeconomic and sectoral studies

- *Residential Water Demand: A Panel Cointegration Approach and Application to Tunisia*, Younes Ben Zaied and Mohamed Salah Matoussi

The main objective of this work is to improve the research done by Ayadi & al. (2002). Thanks to data extension and the recourse to more appropriate econometric techniques we have conducted extensive water price elasticity's estimation on a Tunisian rich data base. Our work confirms the results which claim that water tariffs can play an active role in conserving the precious resource in countries characterized by scarcity, volatility and low water quality like Tunisia.

Finance (shared)

- *Measuring the Damage from Financial Integration in the GCC: Lessons from the Global Crisis*, Mahmoud Haddad and Sam Hakim

In the wake of the global financial crisis, several leading countries of the Gulf Cooperation Council (GCC) experienced considerable economic slowdown. Equity

prices tumbled, bank credit dried up, GDP growth rates came to a halt, spreads on sovereign bonds soared, and risk aversion increased dramatically. These events have demonstrated the negative consequences of financial integration which combined with financial innovation and deregulation have increased vulnerabilities in the GCC and created heightened systemic risks. Using data between 2001 and 2009, we calculate a measure of financial stress for GCC countries and estimate the harm caused by the financial crisis to the region's



L to R: Younes Ben Zaied and Hassan Aly

real economy. Our results show that between 2008 and 2009, economic activity in the GCC slowed by 2.6% after controlling for a variety of factors such as oil and stock price movements. We discuss how policymakers can initiate counter-cyclical policies to stave off the damage from future financial crisis.

- *Testing For “Contagion” of the Subprime Crisis on the Middle East and North African Stock Markets: A Markov Switching EGARCH Approach*, Wajih Khallouli and Rene Sandretto

In this paper, we investigate whether the recent financial turmoil which arose in the United States has contaminated the Middle East and North African countries (MENA). In contrast to Lagoard-Segot and Lucey (2009), we try to identify the existence of pure contagion (Masson, 1999) rather than shift-contagion (Rigobon, 2003). Then, we explicitly define financial “contagion” in accordance with Eichengreen et al. (1996) and we extend the Cerra and Saxena (2002) methodology by using a Markov-Switching EGARCH model introduced by Henry (2009) in order to identify contaminated MENA stock markets. Our results provide evidence of a persistence of recession characterised by low mean/high variance regimes which coincides with the third phases of the subprime crisis. In addition, there is evidence of mean and volatility contagion in MENA stock markets caused by the US stock market.

International Economics

- *Trade Liberalization and the Skill Composition of Migrant Flows: The Case of Morocco*, Fida Karam

Empirically, little is known about the effects of trade liberalisation on the skill composition of emigration flows in developing countries. The available computational literature has focused, for the



L to R: Sam Hakim, Ahmed Galal, Mahmoud Haddad and Izak Atiyas

most part, on United States-Mexico migration patterns after the creation of the North American Free Trade Agreement. More recent works have investigated the relation between trade liberalisation and emigration in Morocco, without looking to the impact of trade liberalisation on skilled and unskilled migration. This paper investigates the effects of trade liberalisation on the skill composition of migrant flows in Morocco. Because trade agreements involve substantial changes in prices, resource allocation and income, they also



L to R: Ahmed Galal, Fida Karam and Raed Safadi

affect migration incentives, when migration is motivated by the wage differential between receiving and sending countries. Trade liberalisation will be problematic for an unskilled-labour abundant country like Morocco, if it gives incentives to skilled workers to move across borders. An appealing way of addressing this topic is to formulate a dynamic computable general equilibrium model that illustrates the transmission channels by which trade liberalisation affects local wages and migration incentives. The model is calibrated on the Moroccan Social Accounting Matrix (SAM) of 2003. The results show that both the free trade agreement with the European Union and multilateral liberalisation reduce skilled and unskilled migration flows, still more pronounced in the multilateral case.



L to R: Murat Kırdar and Ragui Assaad

a propensity-score type matching algorithm to construct the best match among control and treatment groups. Finally, also unlike the previous literature using natural experiments, we conduct our analysis separately for different skill groups. Another advantage of our analysis is that we observe the employment outcomes shortly after the natural experiment, before the equilibrating labor flows take place.

Labor and Human Development

- *The Impact of Repatriates from Bulgaria on the Turkish Labor Market, Abdurrahman Aydemir and Murat Kırdar*

This paper examines the employment effects of an exogenous increase in the labor supply using the politically-driven exodus of ethnic Turks from Bulgaria into Turkey in 1989. Our analysis is based on 624 cities/towns in Turkey with variable treatment intensity; in fact, in some locations the change in the labor force is almost 10 percent. Unlike the previous ‘natural experiment’ literature on this topic, our analysis includes multiple treatment and control groups. Moreover, we use



L to R: Sinan Tandogan and Teoman Pamukçu

Institutional Economics

- *Evaluating Effectiveness of Public Support to Business R&D in Turkey Through Concepts of Input and Output Additionality, Mehmet Teoman Pamukçu and Sinan Tandogan*

It is the purpose of this paper to examine the impact of direct public support granted to business R&D not only on the R&D expenditures of enterprises (would the recipients of incentives have carried out the same amount of R&D expenditures even in the absence of subsidies?) but also on the output of R&D expenditures these enterprises (would the recipients of R&D subsidies have recorded growth rates -or exported or hired people- to the same extent if they had not received these subsidies?). We will use enterprise-level data for the Turkish economy over the period 2003-2006 –a time span where

a substantial increase occurred in funds aimed at supporting business R&D– and a semi-parametric matching technique to examine the effectiveness of R&D incentives given to private R&D as far as

their effects on R&D expenditures (input additionality) and output of R&D activity (output additionality) is concerned.

Macroeconomics

- *Macroeconomic Effects of Pension Reforms in the Context of Ageing Populations: Overlapping Generations Model Simulations for Tunisia, Tahar Abdessalem and Houyem Chekki Cherni*

We have developed a general equilibrium overlapping generations' model to evaluate the effects of demographic transition in Tunisia and to discuss the impacts of pension reforms. Simulations consider two scenarios: a benchmark scenario (without reforms) and a policy change scenario including a set of pension reforms: contribution rate increase, pensions' level reduction, rise of the retirement age and finally the introduction of a complementary fully funded system. The latter incorporates a specific hypothesis consisting in differentiated returns for free saving (private) and compulsory (pension funds). Simulation results indicate that population ageing could have a major impact on saving rate, factors prices, and economic growth. However, they also inform that policy reforms could reduce negative effects.



L to R: Ahmed Galal, Houyem Chekki Cherni and Wafic Grais

17th Annual Conference

Parallel Sessions

While the Plenary sessions often garner the most attention, any researcher knows that it is the parallel sessions that hold the greatest potential for interaction and learning. Much effort and planning goes into the organization of the parallel sessions; the papers presented all benefit from the applied scrutiny of seasoned academics. The parallel sessions cover the six broad economic themes that ERF concentrates on, namely: Microeconomics, Macroeconomics, Finance, Institutional Economics, International Economics and Labor and Human Development. Of the 300 papers submitted to the conference, only 65 papers were accepted, and those were presented in Antalya. While that number speaks to the stringent acceptance criteria, it's worth noting that the number was higher than last year's crop, where only 50 papers were presented.

Microeconomic and sectoral studies

The microeconomics sessions reflected the variety possible under this discipline. The papers covered topics ranging from water and food, technology transfer and innovation, survival and expansion of SMEs, the impact of climate change, entrepreneurship, energy use and productivity.

Residential Water Demand: A Panel Cointegration Approach and Application to Tunisia, *Younes Ben Zaied and Mohamed Salah Matoussi*

A Competing Risk Model for Health and Food Insecurity in the West Bank, *Elisa Cavatorta and Luca Pieroni*

Une Analyse Binomiale et Multinomiale de L'Innovation dans un Echantillon d'Entreprises Tusiennes, *Adel Tlili and Ali Chkir*

Analysis of Foreign Ownership, R&D and Spillovers in Developing Countries: Evidence from Turkey, *Elif Dayar and Mehmet Teoman Pamukcu*

Born to be Alive? Return Migration and the Survival of Entrepreneurial Activities in Egypt, *Francesca Marchetta*

The Determinants of Expansion of SMEs under a Partial Credit Guarantee Scheme: The Case of Lebanon, *Serena Patricia Canaan*
Regional Impact of the Climate Change: A CGE

Analysis for Turkey, *Hasan Dudu and Erol H. Cakmak*

Climate Change Impacts on Wheat Yields in Tunisia: An Econometric Analysis, *Faikel Gasmî, Mounir Beloumi and Mohamed Salah Matoussi*

Linking Entrepreneurship and Total Factor Productivity What are the Economic Setting Required?, *Doaa M. Salman and Karim Badr*

Labor Productivity and Energy Use in A Three Sector Model: Application to Egypt, *Rudiger von Arnim and Cordina Rada*

Finance

Finance continues to be a topic of much debated. The sessions reflected this interest, addressing such diverse issues as; financial sector response to the global financial crisis, the subprime crisis and transmission channels, financial regulation and crisis prevention, initial public offerings (IPOs) and governance, macroeconomics and stock market performance and stock market liquidity and mergers.

Does the American Stock Market React Differently to Rating Announcements During Crisis Period? The Case of the 2008 Worldwide Financial Crisis, *Dorsaf Azouz Ghachem, Abdelkader Boudriga and Chokri Mamoghli*

Have Islamic Banks Been More Resistant than Conventional Banks to the 2007-2008 Financial Crisis?, *Khawla Bourkhis and Mahmoud Sami Nabi*

Testing For “Contagion” of the Subprime Crisis on the Middle East and North African Stock Markets: A Markov Switching EGARCH Approach, *Wajih Khallouli and Rene Sandretto*

Measuring the Damage from Financial Integration in the GCC: Lessons from the Global Crisis, *Mahmoud Haddad and Sam Hakim*

An Approach of Combining Empirical Mode Decomposition and Neural Network Learning for Currency Crisis Forecasting, *Meriem Djennas, Mohamed Benbouziane and Mustapha Djennas*

The Role of Simultaneous Regulations of Credit Services and Payment Services on Competition, *G. Gulsun Akin, Ahmet Faruk Aysan, Denada Boriçi and Levent Yildiran*

Board Independence and Corporate Fraud: The Case of Tunisian Firms, *Hamadi Matoussi and Ines Gharbi*

Determinants of IPO Pricing and Long-Term Performance in the MENA Region, *Chiraz Labidi and Thouraya Triki*

Stock Prices and Inflation: Evidence from Jordan, Saudi Arabia, Kuwait, and Morocco, *Marwan Al-Zoubi and Adel A. Al-Sharkas*

Oil Prices and Stock Markets: What Drives What in the Gulf Corporation Council Countries?, *Mohamed El Hedi Arouri and Christophe Rault*

Stock Market Liquidity: Comparative Analysis of the Abu Dhabi Stock Exchange and Dubai Financial Market, *Ghassan Omet*

How Stock Exchange M&As Affect their Competitors' Shareholder Value? Evidence from the World and MENA Region, *Iftekhar Hasan, Nada Kobeissi and Liang Song*



L to R: Ibrahim Hawarin, Mahmoud ElGamal, Mona Said and Nadia Belhaj Hassine

International Economics

The international economics sessions tackled issues such as currency unions, trade balances and exchange rates, trade liberalization and migration, exports, innovation and competitiveness, proximity and response to crises and trade liberalization consequences.

Essay on Establishing Conversion Values for the Planned Gulf Cooperation Council (GCC) Currency Union, *Damyana Bakardzhieva, Russell Krueger, Bassem Kamar, and Jean-Etienne Carlotti*

Trade Balance and Exchange Rate Depreciation in Tunisia: The Agriculture Sector Puzzle, *Houssem Eddine Chebbi and Marcelo Olarreaga*

Trade Liberalization and the Skill Composition of Migrant Flows: The Case of Morocco, *Fida Karam*

Analyse microéconométrique des déterminants de la migration de retour des immigrés maghrébins, *Aomar Ibourk and Amine Chamkhi*

Export Behavior and Propensity to Innovate in a Developing Country: The Case of Tunisia, *Mohieddine Rahmouni, Murat Yıldızoglu, Mohamed Ayadi*

The Impact of Integrated Waste Management Policy on the International Export Competitiveness of Syrian Olive Oil Industry, *Mohamad Ahmad, Thomas Kuhn and Omar Feraboli*

The Geography of Trade and the Environment: Does Connectivity Matter? *Sami Ben Sassi, Laura Márquez-Ramos, Inmaculada Martínez-Zarzoso and Habib Zitouna*

Which Countries in North Africa Can Resist the Global Recession? An Empirical Investigation, *Hassan Y. Aly and Mark C. Strazicich*

Is Trade Liberalization Reducing Polarisation in Tunisia? *Rim Chatti*

On Trade Policies and Wage Disparity in Egypt: Evidence From Microeconomic Data, *Chahir Zaki*

The Price Effect of Tariff Liberalization in Morocco: Measuring the Impact on Household Welfare, *Mouna Cherkaoui, Khellaf Ayache and Nihou Abdelaziz*

Factors of Career Mobility in Egypt by Gender, *May Gadallah*

Migration Aspirations Among Young People in Egypt: Who Desires to Migrate and Why? *Asmaa Elbadawy*

How Do Women Entrepreneurs Perform? Empirical Evidence from Egypt, *Fatma El-Hamidi*

Female Wages in The Egyptian Textiles and Clothing Industry: Low Pay or Discrimination? *Amirah El-Haddad*

Labor Market Adjustment to the World Financial Crisis: Evidence from Egypt, *Rania Roushdy and May Gadallah*

Education Spending and Productivity in Iran: Where Have All the Education Expenditures Gone? *Mohammad Reza Farzanegan*

Labor and Human Development

Labor and human development are crucial development issues for the ERF region and the sessions tackled subjects like multidimensional inequality in the Arab region, migration and labor markets, employment growth and efficiency, female career mobility and wages and labor market adjustment and investment in education.

Multidimensional Inequality and Spatial Disparities in Tunisia, *Mohamed Kriaa, Slim Driss and Zouhour Karray*

Decomposing Monetary Inequality in the Arab Region: A Unified Framework, *Sami Bibi and AbdelRahmen El Lahga*

The Impact of Repatriates from Bulgaria on the Turkish Labor Market, *Abdurrahman Aydemir and Murat Kırdar*

A Cohort Analysis of Women's Labor Market Participation in Turkey, *Meltem Dayıoglu and Murat G. Kırdar*

Local Employment Growth in the Coastal Area of Tunisia: A Spatial Dynamic Panel Data Approach (2002-2007), *Mohamed Amara and Mohamed Ayadi*

Employment Efficiency and Production Risk in the Tunisian Manufacturing Industries, *Almas Heshmati and Ilham Haouas*

Institutional Economics

The institutional economics sessions addressed such topics as institutional change and capital accumulation, political economy and human development, corporate governance, R&D support and firm performance, Islamic banks and sovereign yields.

Political Institutions and Persistence or Change in Economic Institutions: Comparative Analysis of Iran and Turkey, *Esra Ceviker Gurakar and Emin Koksal*

The Effects of Convergence in Governance on Capital Accumulation in the Black Sea Economic Cooperation Countries, *Ahmet Faruk Aysan, Omer Faruk Baykal and Marie-Ange Veganzones-Varoudakis*

L'économie politique des ressources halieutiques dans le monde arabe : la leçon marocaine, *Hind Hourmat Allah and Brahim ElMorchid*

Institutional Sphere Contribution to Human Development: An Institutional Approach, *Ridha Chkoundali, Houda Haffoudhi and Houda Abdenneji*

Corporate Governance, Investor Protection, and Firm Performance in MENA Countries, *Iftekhar Hasan, Nada Kobeissi and Liang Song*

Evaluating Effectiveness of Public Support to Business R&D in Turkey Through Concepts of Input and Output Additionality, *Mehmet Teoman Pamukçu and Sinan Tandogan*

Do Islamic Banks Employ Less Earnings Management? *Majdi Anwar Quttainah, Laing Song and Qiang Wu*
 Political Institutions and Sovereign Yields Spreads, *Narjess Boubakri, Houcem Smaoui and Jean-Claude Cosset*

Monetary Policy Design When Consumption Prices Are Subsidized, *Mohamed Safouane Ben Aissa and Nooman Rebei*

International Capital Mobility and Factor Reallocation in a Multisector Economy, *Sirin Saracoglu and Zeynep Akgül*

On Capital Flows and Macroeconomic Performance: Evidence Before and After the Financial Crisis in Turkey, *Nergiz Dincer, Magda Kandil and Mohamed Trabelsi*

Macroeconomics

The macroeconomics sessions presented myriad topics: the financial sector implications for growth and development, capital flows and their Macroeconomic consequences, natural resources, cycles and sustainable development, fiscal policy, business cycles and income distribution. Some sessions were country-specific, as with growth, demographics and cycles in Tunisia, while other sessions covered regional issues like monetary policy design in MENA countries. The following papers were presented:

Macroeconomic Effects of Pension Reforms in the Context of Ageing Populations: Overlapping Generations Model Simulations for Tunisia, *Tahar Abdessalem and Houyem Chekki Cherni*

Business Cycle Leading Indicators for the Tunisian Economy, *Souhir Slimi*

Egypt Beyond The Crisis: Medium-Term Challenges for Sustained Growth, *Santiago Herrera, Hoda Selim, Hoda Youssef and Chahir Zaki*

Does Financial Development Impact on Growth? Empirical Evidence with Threshold Effect in the MENA Region, *Chokri Inoubli and Wajih Khallouli*

Inflation Forecast-Based Rule for Inflation Targeting: Case of Some Selected MENA Countries, *Houda Ben Hadj Boubaker*

Cyclical Behavior in Developing Oil-Producing Countries: An Empirical Review, *Nese Erbil*



L to R: Massoud Karshenas and Mongi Boughzala at a parallel session

Integrated Paradigm for Sustainable Development: A Panel Data Study, *Hala Abou-Ali and Yasmine M. Abdelfattah*

How to End Recessions?: Effects of Macroeconomic Policy Actions on Durations of Recessions, *Bedri Kamil Onur Tas*

Income Inequality and the Composition of Public Debt, *Nisreen Salti*



Book Review

“Challenges of Economic Development in the Middle East and North Africa”

by *Julia C. Devlin*
New Jersey: World Scientific, 2010

Reviewed by Jeffrey Nugent

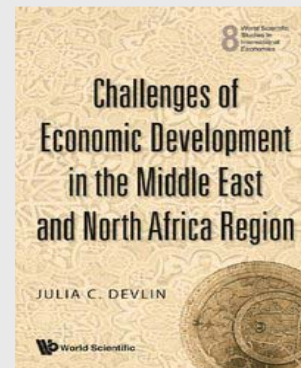
Julia Devlin discusses MENA development issues and how the region’s countries are tackling them

In this nicely written and organized volume Julia Devlin provides a comprehensive and up to date political economy analysis of the economic development challenges facing countries of the MENA region over the last century or more, with emphasis on the post WWII period. Drawing on colonial and other background of preceding centuries, Devlin views the story of development in the region as the resultant of two forces, namely, rivalries of various domestic forces on the one hand and external pressures on the other.

It consists of 14 chapters. The first is an introductory chapter distinguishing the characteristics and performance of MENA countries from those of other regions and identifying a simple political economy framework for understanding the way the external and

various different internal factors interact over time. This framework is intended for descriptive rather than prescriptive purposes. Chapters 2 and 3 provide nice overviews of the 1960-1980 period (during which most MENA countries were enjoying rapid growth) and of the 1980-late 1990s period (when most MENA countries stagnated). In each of these chapters, Devlin provides specific examples of both especially strong performances in specific countries and some of the political economy factors lying behind these.

Chapters 4 and 5 are devoted to two of the greatest resource challenges facing MENA countries as a whole, both of which affect the MENA region much more severely than other regions. These are the Dutch Disease problems associated with oil and the scarcity of water. Each of these resource problems is associated with a whole host of management issues that are identified and ana-



lyzed separately. As such, these chapters should make required reading for anyone interested in the MENA region and some of its special features and problems. Chapter 6 discusses issues related to post-conflict and disaster management. Three such episodes are discussed: the Palestinian territories after 1990, Lebanon after its 20 year Civil War, and Turkey after the 1999 Marmara Earthquake. As in every chapter in the book, one very nice feature is a section calling attention to “lessons for policymakers,” in this

case stemming from the fact that treatment of these shocks tends

- (1) to increase the extent of government interventionism
- (2) to sideline private entrepreneurs
- (3) to induce a rapid inflow of foreign finance and goods that pose challenges for policy coordination as well as for achieving long-run growth and stabilization.

The next five chapters deal with various other specific aspects of MENA's growth nexus. In view of the relative importance of the public sector in MENA countries, especially historically resulting from nationalizations and government ownership of natural resources, Chapter 7 deals with the business climate and other institutional factors important for private business development including finance. Chapters 8 and 9 turn the spotlight on openness to trade (including logistics), finance (including Islamic finance) and technology (including industrial policy). In each of these chapters, much stress is placed on showing comparisons both between individual MENA countries and between MENA and other regions. In most cases there are some MENA countries which rank with some of the successful East Asian countries but others which fall way behind, especially in FDI attraction, private participation in energy and transportation infrastructure, logistics for exporting food and manufactures, and the degree of openness to and exports of high growth manufactures.

Chapter 10 focuses on human capital development. With cer-

tain exceptions, MENA countries have been succeeding in narrowing their once-large urban-rural, male-female and other gaps in health, education and labor force participation, though the male-female labor force participation gaps remain large. These successes have largely been the result of rather massive spending on public health and education by MENA countries. Yet, in view of the demographic bulge of the large numbers of young and well-educated new entrants to the labor force, Devlin shows that further educational and market reforms may be needed to strengthen the linkages between the outflows from the educational system and the needs of employers so as to allow these workers to be absorbed into productive jobs. She also discusses pros and cons of the various reform possibilities. Otherwise, without further reforms, youth unemployment rates would appear likely to rise even further than they already are, threatening political and social stability.

Chapter 11 is especially important as it broadens the investigation of the severe labor market problems confronting MENA countries. One of these problems is that the young are educated but not skilled for modern employment opportunities. Another is that unemployment rates among females are often at least twice as high as among males. A third is that public sector wage rates and benefits are often so generous as to have a deleterious effect on the willingness of youths to enter private sector jobs. Lying behind the latter is that labor laws and regu-

lations are often highly protective of workers, to the point that that few private sector employers employ workers in compliance with regulations. Most workers in the private sector, therefore, are classified as in the informal sector, with government and a few large employers being the main employers in the formal sector. While many countries in the region show relatively high unemployment rates for native-born, some, especially the GCC countries, Lebanon, Libya and Jordan are particularly heavily dependent on foreign workers, mostly employed in the informal sector or in export-processing zones where different rules apply. In the latter cases, because of huge differentials between the wage rates in the formal and informal sectors (the latter mainly for foreign workers) there is generally excess demand for foreign workers even after the imposition of fees for visas, other administrative costs, and in some cases housing and transportation costs. The excess demand for foreign workers is partially managed by ceilings placed on the numbers of visas for foreign workers and by various programs designed to encourage employment of unemployed domestic youths. The available evaluations of these latter programs, however, are reported to be few in number and not to very successful. Nevertheless, subsidies to private employment of locals are said to be somewhat more cost effective and beneficial than other programs. While vocational and other training programs have in general not been successful, they seem to work better in the case

of young workers with extremely disadvantaged backgrounds. As part of the perceived need to downsize the public sector in many MENA countries, the author also recommends programs to retain public sector workers for private sector jobs.

Chapters 12 and 13 provide comprehensive overviews of two other areas of public sector and international involvement, programs to close the poverty gap and those to provide other types of development assistance from, in and to MENA countries, respectively. Considerable emphasis in these chapters is given to best practices internationally, especially with respect to incentives, targeting and monitoring of programs. A wide variety of program types and country experiences is discussed. Chapter 14, "Pathways to Future Prosperity," concludes the book. Though brief, the chapter builds upon both the historical background of the earlier chapters and many of the policy discussions of subsequent chapters to identify some future priorities.

Julia Devlin's book is a very useful addition to the literature on the economic development problems of MENA countries and their experience in dealing with these problems. It provides a good descriptive analysis of virtually all the important economic problems and development in the region over the last 60 years and more. On every issue and problem, it presents useful cross-country comparisons both within and beyond MENA and assesses the benefits and costs of alterna-

tive policy solutions. As a teaching textbook, it may not contain as much explicit use of economic models or as careful critiques as some instructors might want of the evaluations of policies and programs which are often taken at face value without challenge. But, at the same time, these same features greatly increase accessibility of the book to non-economics students and general readers, especially those interested in policy making in the region but without formal training in economics.

ERF Senior Associate Jeffrey Nugent is a professor of Economics at the University of Southern California



Book Review

“Economic Liberalization and Turkey”

by Subidey Togan
Routledge

Reviewed by Bernard Hoekman

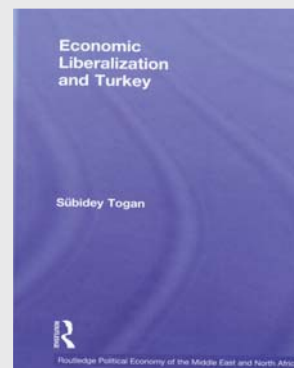
Subidey Togan’s latest book examines the impact of economic liberalization in Turkey and the country’s approach to the elimination of trade barriers.

Much has been written about the appropriate design and sequencing of economic reforms, and the role of trade liberalization in a broader reform effort aimed at sustainably raising the economic growth rate, reducing poverty and creating better jobs. Many countries have successfully implemented macroeconomic reforms aimed at controlling inflation and reducing fiscal imbalances, avoiding real exchange rate overvaluation and opening the economy to foreign trade and investment.

Trade agreements with major partner countries are often an element of the trade liberalization strategies adopted by governments. As import tariffs were lowered—the average import tariff on manufactures in Organization

of Economic Cooperation and Development (OECD) nations is now less than 5 percent, and that in developing countries is around 10 percent—such agreements are increasingly focusing on “2nd generation” market integration challenges. These revolve around regulatory reform and enforcement pertaining to issues such as consumer health and safety, the environment, implementation of competition policies, and improving the productivity of—and access to—service sectors. The underlying regulatory objectives vary, reflecting a mix of efficiency and equity goals, but a common element is that the associated reforms are expected to generally benefit the economy as firms and households obtain access to a greater variety of better and cheaper products.

Regulatory reforms are complex to design and implement. Learning from, and building on, the experience of other countries offers governments the opportunity to



increase the likelihood of success. Engaging in a process of “deep integration” with a large, more advanced trade and investment partner can substantially facilitate matters insofar as a choice is made to adopt the regulatory regime of that trading partner. This greatly simplifies the “design choice” and may also make implementation easier insofar as the partner provides technical and financial assistance.

Turkey has been engaged in a process of negotiating accession

to the European Union for some time and as a result has been using the body of EU directives and regulation as a focal point for regulatory reforms. It is unclear whether accession will occur but in principle any country can choose to use the EU *Acquis Communautaire* as a source of information for the design of regulation aimed at minimizing trade-distorting effects. Togan describes and analyzes recent reforms that have been implemented in Turkey with respect to trade regulation, with a special focus on conformity assessment mechanisms to assure compliance with product standards, and liberalization of trade and investment in several services sectors. He offers a very detailed and informed discussion of what is required (applied) by the EU for each of the areas analyzed; external trade policy, product standards, telecommunications, energy services (electricity and gas), banking and maritime and road transport. The services chosen are sometimes called backbone services as they provide the network infrastructure services that are critical determinants of the competitiveness of firms. All are production inputs.

A key motivation for EU legislation affecting the chosen sectors/policies is the creation of an integrated European market. The aim is to ensure that suppliers from different EU countries can contest markets for goods and services in other member states. As a result there is an emphasis in EU law on unbundling different dimensions of the associated networks – that is, a requirement

to separate production from distribution of gas or electricity. Such actions are not conditional on being (or becoming) an EU member, and Togan makes clear that adoption of much of what is required of EU member states makes economic sense for Turkey. Indeed, Togan demonstrates that the types of issues that EU legislation addresses have been helpful for Turkey in the design of the regulatory framework governing many of the services covered including, for example, the regulatory framework for the gas pipelines that connect Turkey to Central Asian states. However, he also makes clear that the emphasis in the EU on market integration as an objective implies that certain dimensions of what a regulatory regime should seek to achieve are not addressed by EU directives.

A contribution of the book is that the focus is not only on EU regulations and directives but also on other sources of international regulation - e.g., the international standards organizations (for food and consumer goods), the Basle Committee (for banking), the OECD (maritime transport), and so forth. A key strength of the book is that the comprehensive yet succinct summary of applicable EU law for each sector and associated activities is complemented by a discussion of the principles/norms established by the main relevant international bodies in each area.

Anyone who is interested in understanding the main regulatory requirements in the EU and the norms that have been developed

by specialized international regulatory bodies will benefit from reading this book. Moreover, although the focus is on Turkey, the detailed treatment of what has been done by Turkey to emulate and adopt (and sometimes adapt) the relevant regulatory framework in each area will be valuable for analysts and policymakers in any country seeking to improve the regulatory framework for product standards and services sectors. Based on the Turkish experience, Togan provides insightful, practical guidance to policymakers and reformers in developing countries more generally on the appropriate sequence of reforms - with adoption of international standards generally being argued to be a precondition for convergence toward EU norms in the different areas.

Senior Associate Bernard Hoekman is Senior Advisor and Research Manager, Development Research Group, The World Bank

New ERF Affiliates

New Research Fellows

Rabah Arezki, Algeria

An Algerian and French national, Arezki is an Economist at the IMF Institute. During his career at the Fund, he has worked in the Fiscal Affairs Department and the Middle East and Central Asia Department. He has written on capital flow, growth, development, institutions, oil and finance. He has published widely in academic journals, including the *European Economic Review*, *The World Bank Economic Review*, *Review of Development Economics*, *Applied Economics*, *Emerging Market Review*, *Finance and Development*. He has also been cited in leading newspapers, including the *Financial Times*, *Bloomberg*, *Wall Street Journal*, *Les Echos*, *El Mundo*, *Il Sole 24 Ore*. He has co-edited—with Amadou Sy and Thorvaldur Gylfason—a book entitled “Natural Resources, Finance, and Development” to be published in 2011 by the International Monetary Fund based. He obtained his M.A. and M.Sc. respectively from University of Pantheon-Sorbonne and ENSAE in Paris, France; and his Ph.D from the European University Institute, UK.



Ozlem Onaran, Turkey

is Senior Lecturer at Middlesex University, Britain. She is a member of the Coordinating Committee of the Research Network Macroeconomics and Macroeconomic Policies, a research associate at the Political Economy Research Institute of University of Massachusetts, Amherst, and a member of Research Group on Money and Finance. She has formerly worked at Istanbul Technical University, Vienna University of Economics and Business, the University of Applied Sciences, Berlin, the University of Massachusetts, Amherst, and Yapi Kredi Bank. She received her PhD from the Institute



of Social Sciences of Istanbul Technical University in 2000 and went on to post-doctoral research at the University of Massachusetts, Amherst, and has completed her “Habilitation” in Economics at the Vienna University of Economics and Business in 2000. Her research areas include globalization, crisis, distribution, employment, investment, development, and gender. She has articles in books and journals such as *Cambridge Journal of Economics*, *World Development*, *Public Choice*, *Economic Inquiry*, *Structural Change and Economic Dynamics*, *European Journal of Industrial Relations*, *International Review of Applied Economics*, *Eastern European Economics*.

New Research Associates

Yosr Abid Fourati, Tunisia

is a Tunisian national with a PhD in Political Economy of Pension Reform from National University of Ireland Galway (NUIG). She also teaches 1st year Macroeconomics at the Institut Supérieur de Gestion, Tunis. During her thesis completion, she taught Macroeconomics and International Capital markets at the Ecole Supérieure de Commerce, Tunis and Macroeconomics and Pension Systems at Université Paris Dauphine. Since 2007, she has been a consultant in a Tunisian Consulting Company TPAD (Technical and Practical Assistance to Development) where she works on development projects in the field of employment, health and rural development. As a part of a team, she is currently developing a project to support entrepreneurship for young qualified people in Tunisia. Her research fields of specialization are in the areas of pension systems, political economy of reform, survey data analysis, discrete choice experiments and microsimulation models. Regionally, her main research is on Ireland with the objective to extend her research tools and methodology to African countries. She has been



participating to international conferences and is currently working on publications with a team in NUIG.

Ibrahim Alhawarin, Jordan

is a Jordanian national with a Ph.D in Economics from Newcastle Business School / University of Northumbria, UK. After graduation in 2006, He joined Al Hussein Bin Talal University in Jordan, where he is currently an assistant professor and the Head of the Department of Economics. He had worked for public and private sectors in Jordan, before enrolling in postgraduate programs in the UK. His work experience included working in the ministries of labor and education and working in different positions in the banking sector. His fields of specialization are in the areas of labor and earnings economics, and education economics. He has published articles and papers in the previous fields.



Mona Farid Badran, Egypt

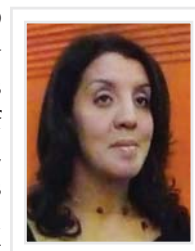
obtained her B.Sc. with high honors from the Faculty of Economics and Political Science, Cairo University in 1992. In 2003, she completed her M.A. in Economics at Georgia State University in Atlanta, Georgia, USA, with a thesis titled “The Transition From Controlled to Open Spectrum Wireless Network in The United States Telecom Market”. She was awarded the Carol Keels scholarship based on Merit from the same university for her achievements in economics. Finally, she completed her Ph.D. at Cairo University, Egypt in 2009 with dissertation title «Competition in Telecom Services, a study on unbundling policies of local loop with an empirical study on broadband penetration in Egypt and some emerging countries». In 2007, she published a part of her dissertation «What determines broadband uptake in emerging countries, an Empirical Study» by the ITU (International Telecommunications Union) and it was accepted, a modified version, for the IFIP conference in Dubai 2009. In 2008, she received Cairo University’s International Publications Award. She has been appointed as lecturer at the Faculty of Economics and Political Science, Cairo University,



specializing in Telecom Economics. A consultant at Orange Labs, Cairo., she contributed and edited a study on “Low Cost Broadband in emerging countries” and represented Orange in Digital World Forum in Brussels, Belgium organized by the EU Commission in September 2009. She is currently Head of the Research, Innovation and Development Center at the Egyptian Ministry of Investment.

Sarra BEN Slimane, Tunisia

is a Tunisian national with PhD in Economics from the University of Nice Sophia Antipolis. She is currently Assistant Professor of Economics at the Faculty of Law, Political and Economic Sciences University of Sousse in Tunisia. Associate Researcher at DEFI (University of Mediterranean, Aix en Provence, France since April 2009) and Member of the Scientific Council responsible of international conference and meeting organization in Applied Economic and Finance Laboratory LEFA (since January 2010). Her fields of specialization are in development and economics, international migration and remittances, environment, macroeconomic policy, and macro-modeling. She has published her work extensively in internationally refereed journals and books.



Asmaa Elbadawy, Egypt

is an Egyptian national currently working as a research officer under the Poverty, Gender and Youth (PGY) Program of the Population Council’s regional office in Cairo, Egypt. She completed her Ph.D. in Economics from McMaster University, Canada in 2009 and holds a master’s degree in Economics from the University of Waterloo, Canada. Her research interests lie in the areas of economics of education and the economics of gender and marriage, with a geographical focus on the Middle East, particularly Egypt. She also worked on labor market issues, migration issues and impact evaluation. She presented her work in numerous regional and international conferences.



Imene Guetat, Tunisia

is a Tunisian national with a Ph.D. in Economics from the University of Paris 1 Pantheon-Sorbonne, France. She used to be a research fellow and assistant professor at the University of Evry-Val D'Essonne-France and a Graduate students Advisor at the National school of Statistics and Economic Administration (ENSAE-France) from 1995 to 1999. In 2005 she spent half a year as Visiting Professor at the Economics Department of College of Business and Economics in United Arab Emirates University. Presently she is Associate Professor and Chair of the Economics Department, at the Faculty of Law, Economical and Political Sciences of Sousse-Tunisia and acts as a consultant to the Euro-Arab Management School of Granada-Spain and research associate at the University of Paris 1 Pantheon-Sorbonne, France. She has several publications in internationally refereed journals. Her fields of specialization are in the areas of development economics, growth and convergence, regional integration, migration and remittances and macro-econometrics.



and Trade Advisory Support Unit during 2006. Her research interests are labour economics, econometrics, microeconomics, and discrimination. Her recent research is on the Egyptian Labour market.

Fida Karam, Lebanon

is a Lebanese national with a PhD in Economics from the Paris School of Economics, University of Paris 1 – Panthéon Sorbonne. After receiving her bachelor's degree in Economics from Lebanese University in 2004, she joined the Paris School of Economics, where she completed her MA in International Economics and then worked as a Research Scholar and Teaching Assistant. After she received her PhD in June 2009, she was recruited as an Assistant Professor of Economics at Gulf University for Science and Technology, Kuwait. Her fields of specialization are the areas of international migration and remittances, international trade and microfinance with an emphasis on MENA countries. She has published several times in internationally refereed journals.

**Rana Hendy, Egypt**

is an Egyptian national. She has a Ph.D in Labor Economics and Microeconometrics from the University of Paris I Pantheon Sorbonne & Paris School of Economics, France where she was also a teaching assistant. She is currently an economist at ERF, undertaking research. Her fields of interest are in the areas of labor economics, industrial economics, gender and family issues, and evaluation of public policies.

**Sami Mensi, Tunisia**

is a Tunisian national with a Phd in Economics (March 2009) from the University of Economics and Management of Tunis, Tunisia following an MA in Financial Economics from the same university in 2003. He taught a number of undergraduate, graduate and post-graduate courses in the major economics and business universities of Tunis ranging from economics (theory of monetary policies, international economy, economic integration, macroeconomics, markets theory etc..) to finance (financial intermediation, banks microeconomics, liquidity management, banks efficiency....etc). He is a regular contributor to many international journals, reviews and conferences. He has participated in the study of financial integration, instability and economic growth in African countries for the United Nations Economic Commission for Africa in coordination with the African Development Bank. He is also a reviewer for the Journal of Economics and International Finance, Panoeconomicus, International Journal of Economics

**Lamia Kandil, Egypt**

is an Egyptian national, holding a Ph.D. in Economics from the University of Paris 1 Panthéon-Sorbonne, where she was a Teaching and Research Assistant. She graduated from the faculty of Economics and Political Sciences in Cairo University, and received her MA in Microeconomics and Applied Econometrics from the University of Paris 1. She worked in the Egyptian Ministry of Foreign Trade and Industry as an Economic Research Analyst in the Industry

and Finance, International Research Journal of Finance and Economics, and Asian Social Science. His areas of expertise include financial intermediation, market structure, banking performance, market power, financial liberalization, and social welfare.

Faezeh Raei, Iran

Raei, an Iranian national, is currently an economist at the International Monetary Fund in Washington DC. Raei's PhD was awarded from the University of Texas at Austin, following an MSc and BSc from the same university. A recipient of the Frank Gerth Award for excellence in graduate work, Raei has worked with the IMF since 2009. Fields of specialization include International Trade, Financial Development, Computational Economics, Industrial Organization.

Racha Ramadan, Egypt

is an Egyptian national with a Ph.D. in Economics from Toulouse School of Economics, France. She did her undergraduate studies in Faculty of Economics and Political Sciences, Cairo University where she is an assistant professor in the Economic Department. During her stay in France (2004-2007 and 2008-2010) she worked as teaching assistant in Toulouse University (Université Toulouse 1-Capitole) and as research assistant in Toulouse Business School. In 2008, she worked as research assistant in International Food Policy Research Institute (IFPRI) in Washington, D.C. for nine months. Her research interests are applied econometrics on poverty, agriculture and development.



Rania Roushdy, Egypt

is the Senior Research Manager of the Poverty Gender and Youth Program at the Population Council-Cairo office. Roushdy is an economist whose main interests are labor economics, applied econometrics and economic development. Roushdy joined the Population Council in June 2003. She completed her Ph.D. in Economics from the State University of New York at Stony Brook in May 2003. She also holds an M.Sc. and a B.Sc. in statistics from



Cairo University. Her current research examines three areas: poverty, job quality, and labor market dynamics; migration and household poverty; poverty mapping and small area estimation techniques. Roushdy has participated in numerous international conferences. Her current work on migration has recently earned an international and a regional award for best paper.

Alaa Shehabi, Bahrain

A Bahraini national, Shehabi currently teaches at the Bahrain Institute for Banking and Finances. She received her PhD in Economics/Econometrics, from Imperial College Business School, Imperial College London. Her thesis title was An Investigation into the application and evaluation of density forecasts. She received her M.Sc. in Economics and Finance from Warwick Business School, University of Warwick, UK and her B.Sc. in Economics and Statistics, University College London, UK. Shehabi has worked for RAND Europe, the consultancy arm of the Global Rand corporation, Pamplona Capital Management and Abby National's Spyre Asset Management, both hedge fund institutions.

Chahir Zaki, Egypt

is an Egyptian national with a Phd in Economics from Université Paris 1 Panthéon Sorbonne and Paris School of Economics where he teaches and undertakes research on international trade and trade policy issues. He holds an MA in international trade from the University of Paris 1 Panthéon-Sorbonne. He has been also working as a consultant for the World Bank, the International Trade Centre and the CEPPII (Centre des Etudes Prospectives et d'Informations Internationales). His fields of specialization are mainly international trade and macroeconomics. More specifically, he is working on trade policy issues and especially their effects on welfare, gender and inequality in developing countries. He is also interested in gravity models and computable general equilibrium models. Regionally, his main research is on Egypt and MENA countries.



New Policy Affiliates

Mohammad Bakhshoodeh, Iran

is an Iranian national with a PhD in Agricultural Economics. He obtained his BSc degree in Economics from Isfahan University, Iran, in 1985, MA and PhD in Agricultural Economics respectively from Shiraz University, Iran, in 1988 and University of Aberdeen, UK, in 2000. After graduation, he joined Kerman University in Southern Iran (1989-1996) and since then has been an academic member of Shiraz University. Bakhshoodeh was dean of Jiroft Agricultural College (1989-91) and then head of Agricultural Economics Department (1992-96) both at Kerman University and was appointed as the head of Agricultural Economics Department in Agricultural College of Shiraz University since April 2007. He is a member of International Association of Agricultural Economics (IAAE) and of Agricultural Economic Society (AES), and was a member of boards of the Iranian Agricultural Economic Association (IAES) in various years. Bakhshoodeh is currently Editor-in-chief, Iranian Journal of Agricultural Economic (IJAE) and a member of four Iranian Journals Editorial Board, namely, Development & Productivity (2007, in Farsi), Agricultural Science & Industry (2008, in Farsi), Agricultural Economic & Development (2008, in Farsi), Iran Agricultural Research (2009, in English). He teaches microeconomics, mathematical economics, agricultural production economics, and farm management to both graduate and postgraduate students in Shiraz University. His areas of interest are trade analysis, food policy, poverty and welfare, liberalization, rural development, as well as issues on productivity and Efficiency. Bakhshoodeh has carried out several studies on agricultural commodities and sectors, food poverty, etc. To date he has supervised 24 Ms and 2 PhD theses and has also finished 17 research works in above topics. His publications include over 145 journal articles and conference papers and two books in Agricultural Economics and Agricultural Production Economics, both in Persian.



Omneia Helmy, Egypt

is an Egyptian national with a Ph.D. in Economics from Cairo University, Egypt. She is deputy director for research and lead economist at the Egyptian Center for Economic Studies (ECES) and professor of economics at Cairo University. She is affiliate professor of economics at George Mason University, a Visiting Professor at Barcelona University in Spain, as well as a training facilitator for the World Trade Organization, the World Bank and the Center for Economic and Financial Research and Studies at Cairo University. She is an active member of several distinguished institutions including the Academy for Scientific Research and the Egyptian Society for Political Economy, Statistics and Legislation. Her fields of specialization are in the areas of international trade, macroeconomic policy and agricultural economics. Regionally, her main research is on the Egyptian economy and, to a lesser extent, on the southern Mediterranean economies of North Africa. She has several publications in internationally refereed journals.



From Research Fellow to Senior Associate

Ismail Sirageldin, (Egypt), Professor Emeritus, Johns Hopkins University

From Research Associate to Research Fellow

Rim Chatti (Tunisia), Labour Program, Canada

Samir Ghazouani (Tunisia), Full Professor of Econometrics, University of Carthage, Tunisia

Tarek Selim (Egypt), Professor of Economics, American University in Cairo, Egypt

From Research Associate to Policy Affiliates

Ahmed Al-Kawaz (Iraq), Economist, Arab Planning Institute

Nourah A. Al-Yousef (Saudi Arabia), Associate Professor in Economic Department, King Saud University

Hakim Ben Hammouda (Tunisia), Director, Institute for Training and Technical Cooperation, WTO

Rola Dashti (Kuwait), Chairman, Kuwait Economic Society

Laila El Khawaga (Egypt), Professor of Economics, Cairo University

Alia El Mahdi (Egypt), Professor of Economics, Cairo University

Imed Limam, (Tunisia), Senior Economist, Arab Fund for Economic and Social Development

Ibrahim Saif, (Jordan), Secretary General, Economic and Social Council, Jordan

ERF Associates in the News

ERF Senior Associate Christopher Pissarides Awarded Nobel Prize For Economics

Economic Research Forum Senior Associate Christopher Pissarides was awarded the Nobel Prize for his work on the economics of unemployment, particularly job flows and the effects of being out of work.



Pissarides' work has been especially influential, winding up in the core curricula of graduate economics programs worldwide. It helps explain search friction on the labor market: the time and resources consumed by job-searching creates friction, helping explain why there are both job vacancies and unemployment simultaneously.

Pissarides was awarded the prize, along with Dale Mortensen from Northwestern University and Peter Diamond from Massachusetts Institute of Technology, for analysis of markets with search frictions. Their work spans quarter of a century and has focused on how government policy and regulation impacts the efficient matching of job vacancies and those searching for work or looking to change jobs.

Pissarides has been a Senior Associate at ERF since its inception, recently writing a review of *The Egyptian Labor Market Revisited* edited by Ragui Assad.

He has been on the faculty of the London School of Economics since he obtained his PhD from there in 1973 and is currently the Norman Sosnow Chair in Economics. He is also a fellow of the Centre for Economic Performance at LSE and of the Centre for Economic Policy Research.

ERF Research Fellow Mohammad Abbasi-Shavazi awarded UN Population Award

Mohammad Jalal Abbasi-Shavazi, an Iranian demographer who focuses on development and reproductive health and an African research institution which provides training in the field of sexual health and gender issues was



awarded this year's United Nations Population Award. Established by the General Assembly in 1981, the Award is given annually to individuals and institutions for outstanding contributions to population concerns and their solutions – this year to, Chairman of the Division of Population Research at the University of Tehran, and the Cameroon-based L'Institut de Formation et de Recherche Démographique (IFORD).

Abbasi-Shavazi has a long career in teaching, demographic research and advisory and policy services, focusing on population and development, reproductive health and fertility, immigration and refugees. He has contributed to the understanding of the dynamics of Iran's fertility decline, which showed that improving women's education and status and their access to reproductive health care led to smaller family sizes.

He has promoted the view that social, economic and cultural differences among countries are more important than religion as explanations of fertility differentials, and has also been a bridge between international demographers and Iranian scholars to study the rapid Iranian fertility decline.

Research Activities

Since the last edition of the Forum, ERF has been busy initiating seven new research activities and two research competitions. The research activities cover many themes, including labor and human resource development, regional integration and natural resources and diversification. Some of these initiatives were in the form of open calls for papers; some were solicited and others were structured by ERF. In all cases, all new projects are subjected to a rigorous review process.

- ERF launched a new project on *The Jordanian Labor Market in the New Millennium* Led by Ragui Assaad. This project capitalizes on the new labor market survey of Jordan, which was initiated by ERF in June 2010 and carried out in collaboration the National Center for Human Resource Development (NCHRD) and the Jordanian statistical office. The dataset will be made available on the ERF website by April 2011. The team engaged in collecting the data and other researchers initiated a coherent set of papers to address different aspects of the labor market in Jordan, which will be published in an edited volume in both Arabic and English.
- ERF initiated a new project on *Incentives in Higher Education*. This project is an attempt to explore a possible explanation for the poor performance of higher education in the region: namely the institutional structure governing the operation of universities. In practice, this means focusing on whether the incentive structure facing the provider of higher education is compatible with desired outcomes or not. The analysis will cover three countries: Egypt, Jordan and Turkey. Turkey will serve as a benchmark, given that it is one of the countries in the region where progress has been made, whereas Egypt and Jordan provide sufficient variations within the Arab countries. Within each of the three countries, the analysis will be carried out over three areas: the national level, the level of universities - one private and one public, and at a university departmental level - namely the Economics Departments.
- Under the theme of natural resources and economic diversification, ERF initiated a new project on *Understanding and Avoiding the Oil Curse in the Arab World*, focusing on the macro-institutional dimensions of oil management. This is a large project, led by Ibrahim El Badawi. It addresses two interrelated issues: understanding the oil curse and its likely causes in the context of the Arab world, and the macroeconomic institutions for managing the oil resource and for avoiding the oil curse that are most suited for the Arab world. These include the optimum savings-investment strategies for oil-rich Arab countries, particularly with regard to the sovereign wealth funds (SWFs).
- ERF launched the project on *Can labor mobility enhance MENA employment? Mode 4 vs. Temporary Migration*. Led by Mohamed Ali Marouani, the project will investigate the economic issues involved with greater labor mobility on MENA labor abundant countries with a focus on the impact on employment and education. The focus will be on the respective effects of temporary migration and Mode 4 delivery of services as defined by the GATTs and compare their benefits and costs for sending countries, by attempting to answer 4 questions: how does outward migration of skilled labor impact domestic labor markets? How do migration instruments differ in their ability to promote positive domestic labor market outcomes and economic prosperity? Will liberalizing mode 4 channels of temporary labor migration improve domestic outcomes? And finally, will mode 4 flexibility alleviate permanent migration pressures and brain drain?
- ERF launched a new project on *The impact of Non Tariff Measures (NTMs): The Experience of MENA Countries*. This project led by Prof. Nicolas Péridy, Ahmed Ghoneim and Patricia Augier aims to provide new insights into the effects of NTMs on the MENA countries, by focusing on both trade

flows, as well as on domestic firms and industries in Selected MENA Countries, and whether these effects vary depending on the firm size, type of activity, and industry.

- ERF has initiated a new project on *Capital movements in the Arab region*, led by Dr. Pierre-Guil-laume Méon. This project will analyze the issue of capital movements in the MENA region by attempting to answer three questions. First: is capital used in an efficient way in the region? Second: does the region receive as much FDI as it should? Three, is the composition of FDI what it should be. In all 3 instances, the analysis emphasizes institutional factors. The project will address the first question by investigating the impact of investment on growth and of FDI on the diversification of exports. In a second part, the project will compare the volume of investment to and from the region to its potential, with a particular emphasis on the role of institutional factors. The last part of the project will be devoted to the composition of FDI flows. Finally the research will attempt to suggest policy implications.
- ERF launched a new project on *Free Trade Agreement, Non-Tariffs Barriers, R&D spillovers and T.F.P: Impact on Trade and Competitiveness of the Tunisian and Egyptian Manufacturing Sectors*. This project is led by Sofiane Ghali and Zohour Karray. The main purpose of this project is to estimate the effects of transaction costs in trade on TFP and then on costs of production of manufacturing sectors when considering foreign R&D spillovers in Tunisia and Egypt. More precisely, the objective of this study is therefore twofold. It will explore and compare the different components of the NTBs in Tunisia and Egypt in order to measure the effect of NTBs, and more generally the trade transaction costs on productivity in the 2 countries. It will also examine both the effect of the R&D spillover and the transaction costs on the costs of production of the manufacturing sectors.
- ERF announced a call for proposals under the theme of *Public Procurement (PP) in the Arab Region*. This call for proposals is open to issues dealing with PP in the Arab Region. ERF affiliates and non affiliates were invited to submit proposals under

a variety of subthemes, including The role of PP as an Industrial Policy instrument, PP as a trade policy instrument, the economics of signing the WTO PP agreement, what can be learned from bi-lateral trade agreements that cover PP, PP's effect on domestic competition and competition policy, as well as the political economy perspective of PP. The call also welcomes proposals of a more general, analytical nature that assess the economics of existing PP regimes; the design of PP rules; the efficiency/effectiveness of PP policies relative to alternative government instruments, such as subsidies; and empirical assessments of the impacts of PP practices.

- ERF launched a call for proposals under the theme of *Industrial Policy, Product Space and Diversification in Arab Economies (IPD)*, with a special focus on oil-rich countries. ERF affiliates and non affiliates were invited to submit proposals under a variety of subthemes, including the critical assessment of the extent to which past diversification efforts were successful, the analysis of the underlying political economy factors that may have shaped industrial policy and led to rent seeking behavior, the analysis of the factors that may affect the ability of an economy to diversify away from its current product mix, given its underlying structure (size, level of income, labor skills, etc.), the exploration of the optimal level of state of intervention through policies to encourage diversification, and alternative diversification strategies for both oil and non-oil rich countries that are consistent with faster and more sustainable economic growth.

*ERF Recent Events***FEMISE Annual Conference, Italy**

November 23–24, 2010, Rome

The theme of 2010's conference was "Structural Transformation and the Role of the EU-Med partnership." The conference comprised three plenary sessions and four parallel sessions. It was held in Italy and attended by 120 participants.

Under the main theme of the conference, the first plenary focused on: "Ask Not Whether But How," while the second was on "Industrial Policy in Practice." The list of speakers included Mustapha Nabli (World Bank), Mohamed Chafiki (Ministry of Economy, Morocco), Pierre Deusy (the European Commission), Khalid Sekkat (Univeriste Libre de Bruxelles), Suk Joon Kim (Science and Technology Policy Institute-STEPI South Korea) and Esen Caglar (Economic Policy Research Foundation of Turkey-TEPAV, Turkey). The third plenary focused on the "Crisis and Recovery Measures for the Mediterranean Partners Countries." The speakers included Lino Cardarelli (Deputy Secretary General of the UfM), Jean-Louis Reiffers (FEMISE), Simon Neaime (American University of Beirut, Lebanon) and Michael Gasiorok (Sussex University, UK).

The four parallel sessions included presentations of selected FEMISE research reports that had been produced in 2010. These included the following topics: convergence of macroeconomic indicators; divestiture and trade liberalization; the banking sector and the impact of remittances on growth; business environment and firms' behavior.

Regional Conference on Environmental Challenges in the MENA Region, Morocco

November 27-28, 2010, Casablanca

Capitalizing on the extensive work carried out by ERF in the area of environmental economics, a large conference was held in Morocco to share the findings of the papers among researchers and policymakers. More than 70 participants took part in the conference, both from within the ERF region and abroad. One of the most interesting results of the sustained work and the conference is the emergence of the so-called the "Casablanca Group", which began a process of discussion among themselves regarding the next steps for research in this field.

Innovation and Economic Development in the Mediterranean Countries, Egypt

December 13-14, 2010, Cairo

ERF and FEMISE joined Groupe de Recherche International (GDRI: DREEM) in the organization of this conference. Together with more than 90 participants, ERF affiliates and staff contributed to the conference both by speaking in plenary sessions and by presenting papers in various parallel sessions.

ERF – World Bank Workshop on “Non-Tariffs Barriers to Trade in the Arab World”, Egypt

January 23, 2011, Cairo

The Economic Research Forum (ERF), in cooperation with the World Bank, organized a workshop on «Non-Tariff Barriers to Trade in the Arab World.» The event was attended by experts on international trade from the World Bank, UNCTAD and the Arab Monetary Fund as well as ERF affiliates and researchers. The workshop’s objectives were to identify whether there is sufficient data on NTBs in the Arab region and determine the most glaring knowledge gaps in order to come up with a research agenda for ERF on NTBs. The workshop suggested topics to be included in the ERF research agenda on NTBs in the Arab region, the most interesting of which was public procurement and measuring the effects of a government procurement process bias toward domestic producers.

Workshop on “The Jordanian Labor Market in the New Millennium”, Turkey

March 19, 2011, Antalya

A preconference event at the 17th Annual Conference, this workshop was organized in the context of the project of the Labor Market survey of Jordan, which was carried out by ERF in cooperation with the National Center for Human Resource Development (NCHRD) and The Jordanian Department of Statistics (DOS). Based on the result of this survey, ERF will carry out a structured research project analyzing the data and producing research papers covering several important labor market topics. This workshop’s objectives were to present the

first drafts of the papers, to share their preliminary findings, and to receive feedback and suggestions from the participants for further improvement.

Workshop on “Migration in the Arab Region: Determi- nants and Consequences”, Turkey

April 16-17, 2011, Istanbul

The Arab region is characterized by significant inflows and outflows of workers, hosting a significant stock of migrants. Accordingly, the Economic Research Forum and FEMISE network have been engaged in an effort to develop a thorough understanding of this phenomenon in the region. Both institutions shared the findings of their most recent research outputs on issues of migration in a workshop held in Istanbul during April 16-17, 2011. The issues discussed covered the economic impact (e.g. remittances and return migration) and non-economic influence (e.g. the relationship between the diasporas and the quality of institutions at home) of intra-Arab and extra-Arab migration. It also covered issues related to the brain drain, efficiency gains and redistributive implications of international migration of workers. All this was discussed in the context of global migration as well as the Euromed region.

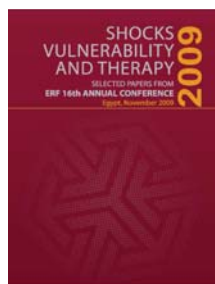


L to R: Jean Louis Reiffers and Khalid Sekkat

Latest ERF Publications

Proceedings Volume ERF's Sixteenth Annual Conference: Selected Papers

This volume contains seven papers related to the theme of shocks, vulnerability and therapy, which was the common thread of all plenary sessions in the 16th Annual Conference of the Economic Research Forum (ERF).



Policy Perspective Equality for All? Egypt's Free Public Higher Education Policy Breeds Inequality of Opportunity

Ragui Assaad

Policy Perspective 2

In this edition of Policy Perspective, Research Fellow Ragui Assaad writes that the common MENA countries policy of providing free public higher education is a misguided one. He explains that while such policies were adopted to ensure equality of opportunity, in Egypt they've led to the opposite; a system when scarce public resources actually subsidize the rich at the expense of the poor.



Policy Research Reports Oil, Economic Diversification, and Development in the Arab World

Ibrahim A. Elbadawi and Alan H. Gelb

Policy Research Report 35

The Middle East Development Journal (MEDJ)

The Economic Research Forum is proud to announce the publication of the third issue of the Middle East Development Journal (MEDJ).



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Shocks, Crises, And Their Determinants
Justin Yifu Lin

Sustainability Of Mena Public Debt And The
Macroeconomic Implications Of The Recent
Global Financial Crisis
Simon Neaime

Could GCC Countries Achieve An Optimal Cur-
rency Area?
Mohamed Benbouziane And Abdelhak Benamar

Privatization And Financial Market Develop-
ment In Emerging Countries: A Comparative
Study
*Samy Ben Naceur, Narjess Bou-
bakri And Samir Ghazouani*

Is There A Bank Lending Channel Of Monetary
Policy In Selected Mena Countries? A Compar-
ative Analysis
Adel Boughrara And Samir Ghazouani

Gender Poverty In Tunisia: Is There A Feminiza-
tion Issue?
Sami Bibi And Rim Chatti

Book Review: "Oil, Dollars, Debt, And Crisis:
The Global Curse Of Black Gold" Mahmoud A.
El-Gamal And Amy Myers Jaffe"
Mansoor Dailami

Latest ERF Publications

ERF Working Papers Series

Since the last issue of Forum, 44 working papers have been published and disseminated electronically. All papers can be downloaded from the ERF website: www.erf.org.eg. The recently published papers are listed below:

Labor Market Regulations and Unemployment Duration in Palestine

Edward Sayre and Yousef Daoud

Working Paper 579

Turnover and Job Tenure for Palestinian Workers, 1998-2008

Edward Sayre and Yousef Daoud

Working Paper 578

Integrated Water Resources Management in Jordan

Velma I Grover, Abdel Raouf Darwish and Eliza Deutsch

Working Paper 577

Managing Bluefin Tuna in the Mediterranean Sea

Ussif Rashid Sumaila and Ling Huang

Working Paper 576

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

Mohamed Salah Matoussi and Wided Mattoussi

Working Paper 575

The Impact of the Palestinian Labor Law of 2000 on Youth Employment

Edward Sayre, Yousef Daoud and Mary Kraetsch

Working Paper 574

Poverty Effects from Reforming the Common Agriculture Policy in A Spatially Heterogeneous Agricultural Economy

Mohamed Chemingui

Working Paper 573

Economic Restructuring and Total Factor Productivity Growth: Tunisia over the Period 1983-2001

Sofiane Ghali and Pierre Mohnen

Working Paper 572

Efficiency and Effectiveness of Palestinian Vocational Education and Training

Mahmoud K. El-Jafari

Working Paper 571

Adoption of Modern Irrigation Technologies in the Presence of Water Theft and Corruption: Evidence from Public Irrigated Areas in Medjez El Bab

Wided Mattoussi and Foued Mattoussi

Working Paper 570

Poverty and Informality: A Restraining or Constructive Relationship?

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Working Paper 569

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

Canan Yildirim

Working Paper 568

A Unified Framework to Measuring Inequality in The Arab Countries

Sami Bibi and AbdelRahmen El-Lahga

Working Paper 567

Why Is Fiscal Policy Procyclical in MENA Countries?

Sarra Ben Slimane and Moez Ben Tahar

Working Paper 566

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

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

Working Paper 565

Equity in Health Care in The Occupied Palestinian Territory: A Benefit Incidence Analysis

Rasha Khatib and Awad Mataria

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The Impact of Trade Liberalization on Regional Growth and Poverty in Tunisia

Rim Chatti and Faycel Zidi

Working Paper 563

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

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

Working Paper 562

Generating Reliable Data to Perform Distributional Analysis in the Arab Region

Sami Bibi and AbdelRahmen El Lahga

Working Paper 561

Desperately Seeking the Positive Impact of Undervaluation on Growth

Ridha Nouira and Khalid Sekkat

Working Paper 560

Household Expenditure Polarization: Evidence from The Arab Region

Ines Bouassida and AbdelRahmen El Lahga

Working Paper 559

Economic Growth in Bahrain: The Contribution of Multifactor Productivity

Bassim Shebeb and Nadhem Al-Saleh

Working Paper 558

Decomposing Income Inequality in The Arab Region

Sami Bibi and AbdelRahmen El-Lahga

Working Paper 557

Does Agricultural Trade Liberalization Help The Poor in Tunisia? A Micro-Macro View in A Dynamic General Equilibrium Context

Nadia Belhaj Hassine, Veronique Robichaud, and Bernard Decaluwé

Working Paper 556

Assessing The Effects of Trade Liberalization on Wage Inequalities in Egypt: A Microsimulation Analysis

Rana Hendy and Chahir Zaki

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Trade Openness, Relative Demand of Skilled Workers and Technological Change in Tunisia, 1998–2002

Monia Ghazali

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The Unending Search for a New Global Monetary and Financial Architecture

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Ahmad Khasawneh and M. Kabir Hassan

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Financing Higher Education in Tunisia

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Do Islamic Banks Have Greater Market Power?

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The Politics of Investment and Growth in Egypt: Towards A New Approach

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Mahmoud Sami Nabi and Taoufik Rajhi

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The Dynamics of Poverty and Inequality in an Era of Economic Liberalization: The Case of Egypt

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On The Influence of Oil Prices on Stock Markets: Evidence from Panel Analysis in GCC Countries

Mohamed El Hedi Arouri and Christophe Rault

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

Mahmoud Haddad and Sam Hakim

Working Paper 537

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

Abderrahim Chibi, Mohamed Benbouziane and

Sidi Mohamed Chekouri

Working Paper 536

The Gendered Aspects of MSEs in MENA: Evidence from Egypt and Turkey

Fatma El-Hamidi and Cem Baslevent

Working Paper 535