

# forum forum

Newsletter of the Economic Research Forum

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**A Word from the Managing Director** 3

*Ahmed Galal*

**Book Reviews**

“Market Dynamics and Productivity in Developing Countries” Khalid Sekkat, editor 4

*Reviewed by Atif Kubursi*

“Oil, Dollars, Debt, and Crises: The Global Curse of Black Gold” Mahmoud A. El-Gamal and Amy M. Jaffe 8

*Reviewed by Sulayman Al-Qudsi*

**ERF Research Activities**

New Research Projects 14

New Research Competitions 16

**Communication and Outreach**

Recent Events 17

Upcoming Events 19

**Network and Capacity Building**

Training Workshops 20

Supporting Capacity Building

**ERF News**

Endowment 22

New Premises 22

RIAD Scientific Committee Meeting 22

**Publications**

Notable publications by ERF affiliates 23

Latest ERF Publications 27



Page 4



Page 8

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## *A Word from the Managing Director...*

*This edition of the Forum Newsletter is slightly different from the previous ones. It does not contain thematic articles, as these are best shared with the reader under other forms of publications. Instead, more prominence is given to reviews of selected publications by ERF fellows in recognition of their contribution to knowledge. The rest of the newsletter is devoted to sharing as much information as possible about ERF research activities and news about affiliates.*

*Accordingly, this edition of the Forum provides reviews of two books, a full listing and synthesis of new research projects, recent and upcoming events, ERF news, training workshops and the most recent ERF publications. In addition, it includes information that may be relevant to researchers, such as calls for papers by like minded institutions or notable conferences.*

*I believe that the new format provides the kind of information that members and non-members of the ERF community would like to acquire. But we are of course keen on improving this publication and would be grateful for any feedback you may have.*

*With my best regards,*

*Ahmed Galal*

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



*Atif Kubursi is an ERF fellow and Professor of Economics, McMaster University and President of Econometric Research Ltd*

*Book Review*

## **“Market Dynamics and Productivity in Developing Countries”**

*Edited by Khalid Sekkat*

**Reviewed by Atif Kubursi**

**F**or the past three decades several economies in the Arab World and Turkey have embarked on a sustained effort to liberalize their economies in the belief that this liberalization would improve their economic efficiency and growth. Three Arab countries—Jordan, Morocco and Tunisia-- and Turkey have privatized public firms, lowered trade barriers, reformed and aligned their exchange rates and entered into free trade agreements and associations with other developing and developed countries. They have, however, realized limited or no gains from this liberalization. These intriguing results call for an explanation and for a serious comparison with the reform experience of other developing countries. Khalid Sekkat’s edited volume on *Market Dynamics and Productivity in Developing Countries* is a welcome attempt to investigate this disconcerting

record and to test a number of hypotheses on the presumed relationships of entry, exit and productivity in a selected group of countries in the MENA region.

The volume comprises four empirical chapters in addition to an introductory chapter covering the theoretical and empirical literature on the relationship of entry and exit of firms and efficiency gains, and a concluding chapter on a comparative assessment of the record of three Arab reforming economies benchmarked against Turkey’s record.

The recent economic literature on the impact of liberalization on efficiency in developing countries suggests that the major channel for efficiency gains is through a Darwinian natural selection process among firms, reductions in X-inefficiency, and intensifying competition.



This is supposed to work through forcing less efficient firms to downsize, improve efficiency or exit with more efficient firms expanding their market shares. The quest for raising productivity and efficiency boils down to a question of facilitating and augmenting the entry of efficient firms into the market to replace and displace inefficient ones along Schumpeter’s creative destruction mechanisms. But what determines entry and exit of firms and

how does this turbulence (turn-over) affect total factor productivity or labor productivity growth in the economy? A set of firm, industry and country factors have been singled out as determinants of the extent and nature of entry and exit of firms into the market. Firm specific factors include size; smaller firms tend to be more flexible and agile, they enter and exit markets more easily and in a less costly manner. Entrants join the market typically with small amounts of funds and tend to exit with even smaller amounts. Industry factors include profit margins that signal the promise of the market but that could also be a reflection of market imperfection. The concentration index is another industry factor as it indicates the ease (difficulty) with which a firm can enter the market. It is easier to enter a perfectly competitive industry in which many small firms produce homogeneous products. New firms prefer entering a growing market (at the steep edge of a life cycle logistic curve) where their chances of survival are larger than in declining industries. Capital intensity captures a natural "barrier to entry". In exit the same factors are in play but with opposite effects to those ones on entry. Exit and entry are also affected by country characteristics and macroeconomic shocks. The business climate can entice (deter) entrants when it is accommodating and repel them when it is hostile. The institutional set up in the country whether it relates to political stability, corruption, democratic accountability, enforcement of contracts and the regulatory ar-

chitecture can play a crucial role in stimulating investment or thwarting it. The firm, industry and country factors combine to determine the rates of entry and exit of firms and the latter impact labor productivity, efficiency and growth. These propositions



*Khalid Sekkat*

are hypotheses and allegations until they are empirically tested. In fact Sekkat's volume is about testing these propositions in four MENA countries. This is the first time such an evaluation is carried out in the region and as such represents a valuable first. The edited volume includes four detailed accounts of the influence of each of the three different factors (firm, industry, country) using both accounting (decomposition) techniques and econometric techniques (regression) to quantify and evaluate the processes governing entry and exit of firms in four reforming countries.

The first is authored by Nesreen Barakat and Ibrahim Saif investigating the entry-exit dynamics in Jordan focusing on the manufacturing sector. The contribution is

divided into four sections. First a long overview of the Jordanian manufacturing sector is presented setting the stage for evaluating the dynamics of entry and exit in this sector. The next section deals with the regulatory environment that governs the manufacturing sector including legislations and regulations dealing specifically with entry and exit. The third section presents pooled data collected on the entry and exit dynamics between 1999 and 2004 for 27 manufacturing industries. The quantitative evidence on the sensitivity of entry and exits to firm, industry and country variables as well as the estimated equations on the impact of entry and exit on labor productivity after controlling for other determinants are displayed and analyzed. The last section is devoted to policy implications of the application of the econometric evidence. The dynamics of entry and exit in Jordan appear to emerge mainly from intra-sectoral re-allocation rather than from inter-sectoral reallocations, a fact that seems consistent with most findings on entry and exit in developing countries. An interesting finding in Jordan relates to the low and insignificant correlation between entry and exit. It is interesting but not an unexpected result to find that labor productivity in Jordan manufacturing had more to do with labor and capital than with entry and exit. Entry had a positive impact but insignificant and exit had a negative sign and was also statistically insignificant. In Jordan manufacturing the entrants had larger average size than survivors. This may be a re-

flection of the high concentration ratios in the sector where new entrants need strong market power to muscle in on entrenched firms. Barakat and Ibrahim utilize OLS estimates and are not bothered with Tobit or GMM techniques. I am sympathetic to their indifference for Tobit estimation but would have liked to see whether simultaneity is an issue in Jordan manufacturing exit and entry.

Achy and Sekkat take the case of Morocco where 25 years after the initiation of economic reform the Moroccan economy remains highly specialized and with a low productivity record. Using data collected annually by the Moroccan Ministry of Industry and Trade over the period 1995-2004 covering all manufacturing firms (with a sub sample covering only the 2000s) with at least ten employees they estimate using accounting decomposition and sophisticated econometric techniques both the entry and exit determinants and sensitivity of labor productivity growth to entry, exit and other control variables. The sophisticated econometrics pertain to the use of the GMM to deal with any bias that may arise from simultaneity among entry, exit and labor productivity and use the Tobit method to deal with any bias that arises from OLS estimates involving only non-zero entries. There is a break in the record around 2000. The quality and consistency of the results are better when the estimation is conducted over the entries for 2000 and on. The latter period results show that productivity gains were realized on entry and exit

and that the change in the country's regulatory framework may have allowed market impulses of entry and exit to connect to productivity improvements. The decomposition of labor productivity into the separate contributions of internal restructuring by survivors, changes in the market shares among survivors, entrants and exitors show that entry and exit may have resulted in a net increase of productivity in 19 out of 25 industries. Unlike Jordan reallocations among firms did not contribute much to labor productivity. The econometric estimation showed that net entry in Morocco contributes positively and significantly to labor productivity.

Ben Jelili and Goaid evaluate entry and exit and labor productivity in Tunisian manufacturing. As is the case for Jordan and Morocco, the Tunisian study presents an extensive background account of the manufacturing sector performance, regulatory environment and policies and programs governing its performance.

This background is helpful but distracts from the main objectives of the study. Using a different definition of entry and exit, the authors calculate entry and exit rates for 15 industries between 1996 and 2004. A number of interesting results emerged including the high positive correlation coefficient at the sector level (0.75) indicating that a creative destruction process is at work in Tunisian manufacturing where new entrants replace (displace) inefficient old ones. The real-

location process is also evident for most sub-sectors in Tunisian manufacturing but particularly for Fabricated Metals, Clothing, Wood Products and Textiles. Ben Jelili and Goaid opt for seemingly unrelated regressions to test for across equation correlations but I personally prefer Achy and Sekkat's GMM. On the other hand, I am not sure about the Tobit as a replacement of OLS estimates as it is very difficult to interpret Tobit results because they are very sensitive to the assumption of a normal distribution. I am not convinced that their specification of the labor productivity equation is helpful. Where are the controlling variables that come from a production function? One of the main contributions of this paper is the detailed evaluation of the data used; an endeavor that would have been welcome in the other papers.

Pamukcu, Sekkat and Taymaz evaluate Turkey's experience with entry and exit of firms using longitudinal data collected by the Statistical Institute of Turkey on nine industries between 1995 and 2001. Both OLS and Tobit estimates are presented. The same concerns I raised about Tobit estimation with regard to the Moroccan paper apply here and the same praise for the use of GMM to deal with the simultaneity problem equally applies. A few interesting results will be singled out here. Entry is not influenced in Turkey by the profit margin, and is lower in concentrated industries but there are strong indications that product life cycle effects are at play where rapidly

growing industries attract more new firms. It is surely intriguing to find that the incumbents' performance has no impact on entrants and the possession of skills has no bearing on entrants choices (it could be true here that the authors have seen in the wage effect a dimension that entrants do not see). Equally intriguing is the strong negative and significant impact of exitors on labor productivity.

The dynamics of entry and exit of firms and their impact on productivity and efficiency have not been examined before in the context of these four countries in the region. This study sheds new light on this dynamic and its successes and failure in raising labor productivity. In this respect it is a very useful study and a major contribution to the literature on the potential gains from liberalization and rationalization. Unfortunately, the results are not decisive and conclusive enough. They open the door for a necessary debate and a careful examination hopefully using longer panel and validated data. There is much to be learnt from the careful and candid assessments made by the contributors to the volume. There is still, however, room for more alignment of techniques and definitions. There is indeed a need to evaluate more thoroughly the data. Measurement errors can change the results in far more profound ways than simple substitution of econometric techniques. The

running theme in the volume is that freedom of entry and exit of firms could and should improve economic performance but it is legitimate to wonder whether the freedom of firms can make their expected contributions when the freedom of people in these societies is still constrained and repressed.



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### *Book Review*

## **“Oil, Dollars, Debt, and Crises: The Global Curse of Black Gold”**

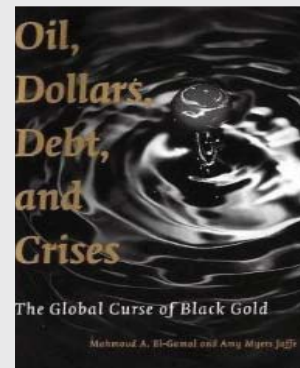
*Mahmoud El-Gamal and Amy Jaffe*

**Reviewed by Sulayman Al-Qudsi**

**R**eplete with illustrations and documentations, the book covers eight chapters and a brief conclusion in 217 medium size pages including bibliography, and author and subject indexes. It presents a highly insightful thesis that is anchored on a provocative analytical framework and a well-argued narrative of the intricacies of and linkages between energy markets and financial markets and the contemporaneous global and regional economic well-being in a contextually unstable geopolitical and shock-recurring environment. In the process the authors review and document numerous historical episodes in the history of energy and financial markets and portray their inherent risks, volatility, contagion, re-occurrence and derive lessons learnt or those that should have been learnt but were forgotten perhaps because

of mankind’s myopic telescopic faculty and “irrationality”.

The first chapter sets out the tone of the book by reviewing salient characteristics of the energy and financial markets focusing on their volatility, origins, and impact. Drawing on historical episodes that date back to the oil era of the 1970s, the chapter brings-out the role of geopolitical events and forces in energy markets, as well as policies of oil producers and consumers, and discusses linkages with financial markets. The message is that the response of energy producers and consumers has always been nearly predictable and consistent in a manner that invariably led to cyclicity and contagion effects which in turn accentuated the dismal outcome of debt accumulations as had happened in the late 1970s and early 1980s dur-



ing the global debt problem and as has reoccurred more recently during the global financial crisis and the subsequent global recession of 2008-2009.

The second chapter, titled “New Middle East: Childhood 1973-84 and Adolescence 1985-95”, tackles the issues of the origins and power of OPEC and the economies of constituent member countries. The link between oil and

the socio-economic transformations are addressed in the chapter including income distribution and upward mobility. According to El-Gamal and Jaffe throughout the Middle East region, the middle classes “benefited from appreciation in property values, as well as increasing opportunities to accumulate wealth directly or indirectly through work in the oil-supporting sectors, investment in stock markets, and so on, income inequality was certainly rising, but opportunities for upward social mobility were also substantial. The inflationary effects of petrodollar inflows did lead to some disruptive social activities, such as the bread riots in Cairo in January 1977, and emerging violent-Islamist groups became increasingly visible. However, the middle classes of the Middle East were generally content during that period, even as the value of their professional degrees and expertise lost ground to the new merchant class” [p.38]. The book makes the claim that the dynamics of rising poverty and increasing income inequality across and within the states of the region and increased likelihood of downward rather than upward social mobility for the middle classes in the 1980s planted the seeds of militant Islamism who “were already in place in the 1970s. However, they did not gain momentum and larger grassroots support until the 1980s [P. 39].

The third chapter traces out the evolution of the current status quo under the heading of “Road

to the Status Quo: 1996-2008” While further articulating the linkages between geopolitical forces, speculative finance and oil prices, the authors allude to the rift which emerged between the policies of Arab countries and the



*Mahmoud El-Gamal*

Bush administration regarding the origins of the oil price spike in the mid 2008 with the Bush administration denying evidence of speculative role in the oil future’s markets and the Saudi government ascertaining its existence. The chapter contains discussion of the role of natural gas, which they dub “The other black gold” [P. 60]. It also contains some provocative thinking about the linkages between military Islam and the course of development especially in the oil-exporting Arab countries and the misaligned policies including the “insane” military expenditure on allied forces [P. 66], petrodollar recycling policies and the largely unproductive investments in health and education all the way to the resurgence of construction activities in the period 2003-2008 to lev-

els first seen in the 1970s and the misplaced emphasis on building high-rises instead of housing for the masses. The chapter makes the claim that the generation of the first oil boom of the 1970s was the generation that rebelled 30 plus years later against state policies and programs. Their assessment of the impact of economic sanctions on social harmony and economic progress leads them to conclude that “Ironically, these economic sanctions during the 1990s did little to stem the tide of terrorist financing or weaken the target regimes, which in fact profited from smuggling activities”.

The authors conclude that in the energy markets economic sanctions and blockades do more harm than good because they stem the tide for investment in capacity expansion, as attested in the case of Libya and Iraq. Accordingly economic sanctions make it more difficult for oil-exporters to respond to oil demand shocks and to prevent oil price spikes that might erupt as a result. This theme recurs in other parts of the book where the authors express the opinion that “Even today oil markets remain extremely vulnerable to short-term disruptions because of this lack of excess capacity” [P. 92].

The chapter touches on the reform policies that many countries of the world have followed since the late 1970s and early 1980s and suggests that “In the long term, moral hazard was reduced

as those countries abandoned import substitution policies and adopted legal and financial reforms as part of overcoming their debt problems. As a consequence, those emerging markets became more hospitable and attractive for foreign direct investment, which overtook debt financing as the main source of foreign financing by the mid-1990s. During the ensuing decade, globalization grew into its current form, allowing not only easier global transfer of goods, services, and finance, but also the global contagion of financial crises and resource curses, including the Middle East's curse of black gold" [P. 50].

The fourth chapter, titled "Globalization of Middle East Dynamics" is somewhat of a misnomer because the analysis therein leaves out numerous important contextual issues in the globalization of the Middle East including the dynamics of international labor migration into and out of the Middle East, the inflows and outflows of foreign direct investments, FDI, remittances and their critical roles in such economies as Lebanon, Morocco, Algeria, Jordan, KSA among several others. The chapter is also silent on issue of globalization pertinent to WTO accession, with many economies of the region gaining membership in the WTO and making commitments to liberalize their economy including the financial sector and in the meantime indicating willingness to liberalize the energy sector as well. The chapter focuses instead on

such topics as Sovereign Wealth Funds, SWF's, financial integration and contagion and spends unnecessary energy and intellectual effort in order to deliver text-book like, academic messages. For example, on Pp. 80-83, the discussion hovers around correlation amongst markets and report the results of existing research that corroborate that "correlation analysis applied to stock markets "may yield unreliable results..." and that the "main finding is that extreme negative returns are more conducive to contagion than extreme positive returns" [P.80]. This notwithstanding, there is little in the chapter to illuminate policy makers and the general reader about the implications of such findings. The arguments then move to the liquidation of natural gas, the globalization and geopolitics where the authors reiterate earlier statements in other parts of the book about the role of geopolitics. The simple conclusion that the authors wanted to deliver was that new technologies allowed natural gas to become more "global" than before-since it permitted it to be transported across international borders in the form of LNG. This led the authors to discuss the issue of forming a natural gas "cartel" amongst major producers including Russia, Iran, Qatar etc and the geopolitical implications to consuming nations especially in Europe and Asia. But the chapter does not sharply deliver the message about the extent and implications of the natural gas globalization issue. Missing

from the analysis is some discussion and review of oil and natural gas pricing mechanisms given that natural gas prices are closely linked to oil prices, both because of indexation in long-term contracts and competition between different energy sources in power generation and end-user markets. However, given that only a relatively small share of natural gas is traded on global markets, regional differences and discrepancies can originate and persist. This makes prices more sensitive to local factors and disruptions which seem to discount the thesis of natural gas globalization.<sup>1</sup>

Just as well, the treatment of sovereign wealth funds in this chapter and in other parts of the book is contrived and incomplete. For instance, recent research looks at a country's total wealth as a combination of financial wealth and non-tradable resource, or oil, wealth.<sup>2</sup> Assets with negative correlation to oil wealth are well suited to improve the efficiency of total wealth for an oil-rich investor. Optimal asset allocation decisions must take these correlations into account in order to avoid welfare losses, i.e., sovereign welfare funds should look for an integrated management of financial and resource wealth. The literature also incorporates resource uncertainty as a form of background risk as well as the impact of optimal oil extraction for an SWF, concluding that uncertainty about the size of a country's oil wealth relative to its total wealth will make it invest

less aggressively. As well, multi-period analysis is also examined by recent strand of the literature in order to test alternative investment strategies.

Chapter five is about the US dollar and debt with the subheading of: “the end of the dollar era?” Focusing on the interactions between debt, finance, the demand and supply of the dollar, the chapter contains interesting discussion of Minsky’s financial instability taxonomy and Soros thesis on financing and bubbles; that is hedge finance, speculative finance and Ponzi Finance. The authors review the use of the dollar as an international currency under the Bretton Woods system and narrate how the role of the British Pound continued to decline at an accelerating pace during the Great Depression, mainly because low interest rates that were intended to boost the faltering British economy eventually forced Britain to abandon convertibility of the Pound for gold in 1931. While the gold-convertible dollar replaced the pound as the global currency, the global economic growth and global trade were constrained by the global supply of gold between 1945 and 1970. Hence, the dollar as reserve currency was divorced from gold in 1971, a credit-based system of global trade enabled accelerated growth in trade and economic activity [P.97].

In addition to the dynamics of petrodollar, the chapter deals with global imbalances where-

in Asian and other economies “save” while the US “consumes”. When oil prices rose in the period 2003-2008, they contributed further to U.S. deficits and downward pressure on the dollar [P. 113]. The accumulated debt by the U.S. represented a threat to the global system which along with excessive leveraging, repeated financial bubbles and contagion across markets led to the financial crisis which originated in the U.S. sub-prime market in July 2007 and subsequently spread rapidly over to Europe and numerous emerging markets in the form of credit crunch and culminated in the Great Global Recession of 2008-2009. The linkages between the energy sector and the financial sector and geopolitical events are exemplified by the fact that “External shocks, such as the oil embargo of 1973 or the terrorist attacks of 2001, may provide catalysts for crisis development” [P.109]. Again petrodollar flows and global recycling of domestically-non-investable savings are the center of the analysis.

Chapter six discusses the motivation to attack or abandon the dollar. It reviews how the U.S foreign policy, especially under the auspices of Henry Kissinger, sought to undermine the global role of oil producers and weaken solidarity of producers in OPEC. This was partially accomplished through the establishment of joint economic commissions between the U.S and Saudi Arabia on the one hand and between

the US and Iran on the other. By 1976, Saudi Arabia invested \$60 billion in the United States. By 1979, the Saudis were the largest holders of Dollars and U.S. Government securities. U.S. military sales to Saudi Arabia jumped from \$305 million in 1972 to 45 billion in 1975” [P.122]. The authors browse through a compendium of issues including trade openness and their economic returns, the currency pegs, the dollar value against other international currencies especially the Yen and Yuan and the role of the Yuan depreciation in the debt accumulation. The resultant global imbalances gave rise to the “balance of financial terror” [P. 132] where in essence “The U.S has de facto been gradually depreciating the value of her creditors’ accumulated savings, and those creditors have been gradually diversifying reserves away from the Dollar” [p. 133].

The authors are not supportive of the petrodollar recycling policies because, among other things, “the recycling of petrodollars for investment in the industrialized nations further reduces the cost of funds to the producers in those nations and erodes potential long-term competitiveness of potential or nascent industries” [P. 136]. However, one should note here that the recycling is intended to check or sterilize the inflationary effects of excessive financial resources inflows especially when oil prices are high and also to try to make fiscal policy more effective by availing sufficiently steady and predictable resources,

investment returns, to the public purse especially during periods of low oil prices and hence low government revenues from oil.

Chapters seven and eight contain more in-depth analysis of the global resource curse and the ways and means to ameliorate the problems inherent in the global system. In chapter seven, the authors focus on “Resource curse, global volatility and crises” arguing that political rhetoric that explains “Middle East geopolitical developments in terms of “evil groups”, and blames energy market problems on an evil-like cartel “offers no useful insight to a solution to the problem” [P. 143]. The chapter also aims to better understand the fundamentals of the trio of energy and financial markets and geopolitical forces.

While the focus of chapter eight is on “Ameliorating the cycle” the authors challenge the wisdom of “gambling on” the possibility of achieving high average global economic growth in the presence of inherent forces that invariably push the system off to the borders of crises cyclically, frequently and often unpredictably. So the underpinning notion is that of trade-off between “high” economic growth and the moderation of inherent system volatility [P. 173] and the differentiation between short-term views and interests of politicians and the long-term societal interests and social good; the differentiation is underpinned by myopic expectations and regulatory structure and adjustments [P.175]. The

chapter culminates in the call for international cooperation in oil markets and managing geopolitical conflicts including the sixty-year old Arab-Israeli conflict as well as other interconnected conflicts which perpetuate, according to the authors, because of the selective amnesia of the conflicting parties [P.188]. The chapter culminates in the call for “all parties to various regional disputes and all other parties who are affected indirectly through the dynamics of energy and financial markets to recognize the long-term global gains from resolving those disputes” [P.190].

#### *Overall assessment*

The book provides insightful and powerful thesis for policy-makers and readers alike. Although the book is well-written and quite interesting, it could benefit from adding some quantification to substantiate some of its salient arguments: for example what is the extent of transmission of volatility from global oil markets to global economies and regional stock markets? The literature is replete with assessment of the extent and magnitude of such volatility transmissions.<sup>3</sup> As well, what are direct and indirect impact of oil price increase on markets and economies according to their type and location? In the Euro area for instance, empirical evidence from macro-econometric models suggests that the overall impact on euro area activity of a 10% increase in energy prices is estimated to be -0.25% after three years, but shows considerable

heterogeneity across countries (ranging from close to zero to 0.4%). These differing effects are partly attributable to structural differences in the countries, such as the energy intensity of production or consumption, the degree of nominal rigidities in the economy, the sector structure, and their openness.<sup>4</sup>

The authors do not sufficiently differentiate between short-term and long-term causality and impact in the energy and financial markets since not all energy crises and oil price increases are born equal. For instance, existing literature clearly indicates that central banks, when facing energy price fluctuations, must understand their nature and how they will propagate through the economy to affect output and prices. The nature of energy price fluctuations refers to their driving forces, whether they are driven by fundamental demand, supply-side factors or financial market activity, and to their persistence. An increase in international energy prices can, for example, be a short-term phenomenon, as witnessed in 1990 during the Gulf War, or a medium to long-term change in the terms of trade driven by structurally rising demand, as seems to have been the case over the past decade.

The authors are a little harsh in their criticism of the policy paradigms and hardly discuss the imperatives of the social contract in the Middle East and the underlying cultural norms. For instance, they declare that the Middle East regional monarchs have been

more than generous in their financial support of social issues such as higher education efforts providing as examples the Qatari Emir who dedicated the revenue from an entire natural gas production line to fund research and the Saudi King who dedicated \$20 billion endowment for the newly opened science and technology university. Yet, the authors conclude that those efforts “are typical of white-elephant projects that attempt to skip some of the earlier steps of development, thus resulting only in construction and financial booms” [P.154]. More substantively however, the authors barely analyze in a systematic manner alternative policy options and paradigms that could help the region attain and maintain sustainability in terms of growth, employment in general and in the energy and financial arena in particular. In fact their call for Sovereign Wealth Funds to invest counter-cyclically in oil and gas production capacity and alternative energy development during periods of low oil prices when construction costs, steel cranes and other resources are not over-priced” [P. 186] is not convincing because the investment decisions of SWFs are typically influenced by a complex set of other critical factors that include differentially-risk-adjusted rates of return that vary over time, portfolio, and space; the remaining life of oil underground, the extent of uncertainty and the ratio of financial to oil wealth in the case of each specific oil-exporting country. As well, the

argument does not seem to factor-in the important issue of human capital formation including health, education and employment and the fiscal requirements to temporally develop such human capital while meeting the short-term budgetary needs and expenditure commitments, especially public funds that are annually earmarked to meet rigid or inelastic expenditures.

All said, the book will be well received, is a joy to read and is a challenge to the minds of discerning readers and to innovative policy makers. I have no doubt that it is a welcome addition to academic and business libraries that are seriously interested in the energy and financial markets, their volatility and contagion and underlying economic and policy fundamentals and geopolitical drivers.

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#### Notes

1. ECB (2010): “Energy markets and Euro Area Macroeconomy” July.
2. B. Scherer 2009: “Macroeconomic risk management for oil stabilization funds in the GCC countries” *EDHEC-Risk Institute-EDHEC Business School*; September.
3. Girard E. and Ferreira (2004): “On the evolution of inter-and interregional linkages to the Middle East and North African capital markets” *Quarterly Review of Business and Economics* 43. Also S. Al-Qudsi (2010): “Oil and commodity price volatility: Origins and impact on the Arab economy and capital markets” *Geopolitics of Energy*, GoE Vol. 32 Issue 5 May.
4. ECB (2010): “Energy markets and the Euro Area Macroeconomy”: June.

## ERF Research Activities

# ERF New Research Projects

Since the last edition of *FORUM* in January 2010, ERF has initiated nine new research projects under two broad themes: “Competition and Utility Regulation” and “Environmental Economics”. The following is a brief description of these projects.

## Competition and Utility Regulation

- *An Analysis of the Mobile Telephone Sector in MENA: Potential for Deregulation and Privatization, Sam Hakim and Simon Neaime*

This project seeks to investigate how mobile rates influence the choice, timing, and structure of market reform. The study will be conducted in two stages. First, it will investigate the price elasticity of demand for cellular phones using a panel of 15 countries over 15 years. The countries covered are: Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, UAE, and Yemen. Second, it will develop an econometric model of policy choice for market structure as the sector moves from monopoly to competition.

- *The Role of Broadband Infrastructure in Economic Growth in Egypt and Some Arab and Emerging Countries, Mona Badran*

The project aims to examine the relationship between broadband infrastructure and economic growth in emerging countries. In addition, it will assess the impact of competition in the telecom sector on the infrastructure of broadband and on economic growth in 22 emerging countries, namely: Algeria, Argentina, Bahrain, Brazil, Colombia, Jordan Kuwait, Lebanon, Malaysia, Mexico, Morocco, Oman, Qatar, Russia, Saudi Arabia, Syria, Tunisia, Turkey, Egypt, UAE, Venezuela, and Uruguay.

- *Palestinian Household Consumption Expenditures on Public Utilities: The Case of Electricity and Water, Mahmoud El-Jafari*

This project aims to examine the Palestinian household expenditures on two major public utilities: electricity and water. In particular, it will contrast the pattern of household consumption of those utilities, the corresponding expenditures and the surplus or deficits made by utilities. Furthermore, it will explore the rationale for any discrepancies, focusing on the demand side.

- *Regulatory Reforms in Public Utilities: Have Reforms Resulted in Increased Competition, Market Efficiency and Higher Welfare? Case Studies of Civil Aviation, Electricity and Telecommunications, Amirah El-Haddad and Khaled Attia*

This project will analyze the market structure resulting from reforms of the regulatory regimes in three sectors in Egypt: civil aviation, electricity and telecommunications. The research comprises three components. First, drawing on the literature from Industrial Organization and New Institutional Economics, the study will investigate how the regulatory environment of each sector led to very different results in terms of competition, market structure, market power, and pricing schemes. Second, the project will analyze welfare implications of the reforms in each sector. Finally, the findings from these two components will feed into a discussion of the scope and nature of the operations of the Egyptian Competition Authority and the regulatory framework in the three sectors.

## Environmental Economics

- *An Analysis of Urban Sprawl and Potential Land Conservation Strategies in the Middle East: A Case Study of Damascus, Syria*, Anthony Clark

This project addresses the problem of the rapidly growing urban sprawl and its implications on the environment, human health and other aspects of quality of life in Damascus, Syria in the context of Al-Ghouta, or the Oasis of Damascus. Residents' willingness-to-pay (WTP) to preserve or restore portions of Al-Ghouta will be estimated using the contingent valuation method (CVM). Residents will also be surveyed regarding their attitudes about sprawl and land conservation. These latter results will be used in a cross-cultural analysis of attitudes about sprawl and land conservation.

- *The Impact of Imposing a Tax on the Use of Fertilizers by Farmers: A General Equilibrium Model for Egypt*, Abeer Elshennawy and Jean Mercenier

This project addresses the negative repercussions of the over-use of fertilizers by farmers in Egypt and its implications on human health, green house gas emissions and eventually global warming, and explores the economy-wide implications of imposing a tax on the use of fertilizers versus a tax on agricultural crops while concurrently reducing other sales and income taxes. Implications for water pollution, output, employment, exports of fertilizers and welfare effects will also be assessed through a static General Equilibrium Model for an open economy differentiating between rural and urban households.

- *Comparative Environmental Economic Analysis of the Tourism Sector in the ERF Region*, Karim Zein and David Maradan

This research project addresses the debate over the consequences of tourism activities in Jordan on the environment. Ecologists argue that since tourism activities are incompatible with the lack of resources, they may lead to large landscape and shore deteriorations. On the other hand, managers argue that tourism activ-

ities create high added value and incentives for protecting the natural patrimony. By conducting a monetary valuation of the environmental consequences (in terms of the value of lost workdays, lost agricultural production, lost amenities (less agreeable setting)...etc.) and the environmental inefficiency (in terms of loss of materials, waste of energy...etc.) observed in the tourism sector, the project aims at defining, determining and testing decision-making tools for the tourism sector in Jordan in order to ensure the economic efficiency of environmental protection.

- *Income Level and Environmental Quality in the MENA Countries: Discussing the Environmental Kuznets Curve Hypothesis*, Hatem M'Henni

This research project addresses the problem of climate change and its effect on economic growth and human prosperity in the MENA region by exploring the relationship between per capita growth and the environmental quality or degradation. Employing the Environment Kuznets Curve (EKC) hypothesis in the MENA region, the author seeks to introduce an "Environmental Quality Index" for MENA countries for the last two decades and analyze its global evolution for the region and for each single country. He also aims at analyzing the relationship between the environmental quality index and per capita income by demonstrating the importance of income level as an explanatory variable in environmental degradation.

- *A Heterogeneous Panel Analysis of Growth and Natural Resources in the MENA Region?*, Kamiar Mohaddes, Mehdi Raissi and Tiago V. de V. Cavalcanti

This research project draws on the growing literature on the resource curse paradox; which states that resource rich countries perform poorly when compared to countries which are not endowed with oil, natural gas, minerals and other non-renewable resources. Employing Common Correlated Effects (CCE) estimators, the authors aim to investigate the following questions: Is an abundance of natural resources a curse or a blessing? What are the effects of natural resource abundance on

## *ERF New Research Competitions*

# ERF 17<sup>th</sup> Annual Conference

**E**RF launched a call for proposals for the 17<sup>th</sup> annual conference, which will be held in Antalya, Turkey, March 20-22, 2011. As in previous years, ERF and non-ERF affiliates were invited to submit proposals under the following 6 themes: macroeconomics, microeconomics, international economics, finance, labor and human development, and institutions. ERF received 275 proposals, which were subjected to refereeing by various committees. Of the total proposals submitted, 88 were invited to write full papers, which will be evaluated once again by the same committees before their presentation in the conference.

## FEMISE 2010 Internal Competition

**A**s one of the two coordinators of FEEMISE, ERF is pleased to announce the launching of the 2010 research competition.

The deadline for submission of proposals is *September 6, 2010*.

The main themes of this round of competition are outlined below and can be found in details in the Scientific Program of FEMISE, posted on the website ([www.femise.org](http://www.femise.org)).

- Euromed Integration: Past, Present and Future
- Macroeconomic and Microeconomic Crisis Management: How to Cooperate in the EU-Med to Face the Actual Crisis and Limit the Effects of Future Ones?
- Dynamics, Growth and Prosperity
- A more inclusive type of growth as a prosperity source

This competition is limited to the institutional members of the FEMISE network, both from Europe and the Southern Mediterranean countries.

For further details regarding eligibility, the submission process and deadlines, funding guidelines and evaluation procedures, please consult the Admin notice for the 2010 Internal Competition, also on the FEMISE website ([www.femise.com](http://www.femise.com)).

## 2010 Global Development Awards & Medals Competition Call for Applications

The Global Development Network (GDN) invites researchers and organizations from developing and transition countries to submit research proposals, completed research papers and proposals for scaling-up development projects.

### Competition Themes:

- External Capital Flows and Financing for Development
- Domestic Resource Mobilization and Financial Sector Development: Another Angle to Look at the MDGs in a Post-crisis World?
- Innovative Sources of Development Finance

### Application Deadlines:

- Proposals on development projects: *September 9, 2010*
- Research proposals/completed research papers: *October 18, 2010*

*ERF Recent Events*

## Expert Group Meeting on Firm Level Data

March 14, 2010, Cairo

In an attempt to identify a niche for ERF in the area of collecting or facilitating access by researchers to firm level data, an expert group meeting was organized by ERF and held in Cairo, March 15, 2010. The meeting convened 25 participants, including researchers, representatives of international organizations and scholars with expertise in firm level analysis. While informative, it was agreed that the best starting point would be to commission a stock-taking paper prior to any decisions being made in terms of what ERF could do in this area.



From left to right: Izak Atiyas, Mehmet Pamukcu and Lahcen Achy

## Expert Group Meeting on Data Harmonization

April 29-30, 2010 , Cairo

ERF has exerted major efforts to collect as many household surveys for as many countries in the region as possible. To ensure that the harmonization process is consistent with best practice, an expert group meeting on data harmonization in the Arab region was held in Cairo on April 29-30, 2010. The participants included academic researchers, representatives from national statistical offices as well as from international organizations. The aim of this meeting was to exchange ideas about how to address the conceptual and practical issues related to the production of harmonized household survey micro data and of comparable statistics on income and expenditure distribution. Ultimately, ERF aspires to make this data available to researchers.



From left to right: H.E. Abu Bakr El-Guindi, Ahmed Galal and Nadia Belhaj Hassine

## Regional Workshop on Economic Incentives and Environmental Regulation

June 13-14, 2010, Beirut

As part of the work carried out by ERF in the area of the environment, a major project is concerned with the effectiveness of the incentives embodied in environmental regulations on environmental outcomes. To discuss the draft papers written for this project, ERF convened a regional workshop in Beirut, Lebanon on June 13-14, 2010. The 7 papers presented covered a wide range of topics: Cost Assessment of Environmental Degradation; Willingness to Pay for Improving Poor Land and Water Conditions for Agriculture in Damietta, Egypt; Regulating Traffic as a Means of Reducing Green House Gas Emissions: The Case of Greater Cairo, Egypt; Mitigating Solid Waste from Agro-food Industry; Water Problems in Jordan; Regulating the Emissions of the Cement Industry; and, Managing Fisheries in North Africa.



A group photo for all the workshop participants

## Workshop on Arab Passengers' Airlines Framework and Performance

June 26, 2010 , Cairo

This workshop is part of the work carried out under the theme of regional integration, focusing in particular on a project dealing with Arab passengers' airlines framework and performance. The meeting was held in Cairo on June 26, 2010 with a view to sharing with members of the project team both the methodology of the country cases and the findings of the pilot case of Egypt. In addition to the team, outside experts were also invited to participate in the meeting. The four countries covered by this project are: Egypt, Morocco, the UAE and Jordan.



From left to right: Adla Ragab, Khalid Sekkat, Tae Hoon Oum and Ahmed Galal

## ERF Upcoming Events

# ERF 17<sup>th</sup> Annual Conference: Politics & Economic Development

March 20-22, 2011

Antalya, Turkey

Serving as a forum for discussing frontier thinking about economic development, learning from one another and interacting with international scholars, the upcoming ERF annual conference will be held in Antalya, Turkey, March 20-22, 2011. The common theme of the plenary sessions is “Politics and Economic Development”.

Renowned speakers from the region and abroad have been invited to address the following issues:

### *Plenary Session 1: Democracy (Open Society) and Economic Development: the politics of policymaking*

This plenary session will revisit the relationship between the nature of political regimes (democratic or not), policymaking processes and development outcomes. The speakers will answer such questions as: does it take an open (democratic) society to achieve better development outcomes? Are the few cases of non-democratic regimes achieving successful development the exception, and why? Is democracy inevitable once progress is made on the economic front? And what do we know about how societies become more open economically and politically?

### *Plenary Session 2: Do Institutional Constraints on Policymakers Work?*

Given the political regime, does it matter whether a country adopts 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? Under which

conditions are these rules effective and credible? This session will focus on assessing the experience of different countries, highlighting the features and underlying conditions that make these rules successful.

### *Plenary Session 3: Conflicts and Economic Development*

This session will explore issues of economic management in countries in conflict or emerging from conflict. The speakers will address such questions as: what are the root causes of conflicts? How costly are they, especially in economic terms? Can economic policies be designed to reduce potential conflicts, especially internal ones?

Beside the plenary sessions, a large number of papers will be presented in 6 parallel sessions and the best papers will be given the “Best Paper Award”.

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## Regional Conference on Environmental Challenges in the MENA Region

November 27-28, 2010

Cairo, Egypt

This conference is intended to share the findings of various papers that were written in response to 2 calls for papers on the environment in the MENA region. The papers cover diverse themes, ranging from climate change, policy assessment and microeconomic studies, economic valuation, environmental accounting and political economy of environment and natural resources. And the objective of the conference is to provide feedback to researchers and a platform for interaction between senior and junior researchers, hence an opportunity for capacity upgrading.

*Training Workshops*

# Measurements of Inequality of Opportunity and Inequality of Outcomes

June 20-23, 2010, Cairo

In the context of a large research project on inequality of opportunity in the ERF region, ERF organized a training workshop involving 25 participants on the basis of an open call for participation. The workshop was held in Cairo during the period June 20-23, 2010. The workshop covered techniques of measuring inequality of income, health and educational status using a variety of survey data sets from Arab countries. It also covered both parametric and non-parametric methods of linking inequality of outcomes to underlying inequalities of circumstances, such as family background, ethnicity, gender, and place of origin.



From left to right: Ragui Assaad, Nadia Belhak Hassine, and Djavad Salehi-Isfahani.



A group photo for all the trainees and the trainers.

## “Writing Winning Research Proposals and Papers”

September 19-21, 2010 , Cairo

In recent years, ERF organized an annual training module for young researchers who submitted proposals to the ERF annual conference and were considered to have the potential to benefit from some mentoring on formulating research questions, finding appropriate techniques and drawing sensible conclusions from the analysis. This is the third time this module is being offered. Previously, the first module focused on micro and trade; and the second on labor and institutions. The upcoming training will focus on macro and finance. The plan is to hold this event in the second half of September 2010, allowing sufficient time for researchers to prepare their papers for the annual conference (now planned for March 20-22, 2011).

## Supporting Capacity Building

# 15<sup>th</sup> Annual Conference of the African Econometric Society

July 7-9, 2010 , Cairo

In collaboration with the American University in Cairo, ERF participated in the conference organizing committee and supported the participation of 18 young researchers from the region in the 15th Annual Conference of the African Econometric Society. The

conference was held in Cairo on July 7-9<sup>th</sup> 2010. Researchers from the ERF region not only benefited from presenting their papers and getting feedback from discussants but also from taking part in one of the largest conferences in Africa.

### Nominate New Affiliates

Research Fellows are invited to nominate new Research Associates and/or Research Fellows to join the ERF network no later than *November 30th 2010*.

Nominated candidates should meet the following criteria:

- Nominees must be from the ERF region (Arab Countries, Iran and Turkey)
- Nominees must hold a Ph.D. in economics or related social science field (political science, sociology, demography, health, etc.)
- Nominees should have expertise in research on the region.

The nomination process is as follows:

- The nominator should explain why the proposed candidate is eligible for affiliation with ERF.
- The candidate who receives two letters of recommendation should provide ERF with a letter of intent indicating the reasons for his/her desire to join ERF and the role he/she would play as an ERF affiliate in promoting ERF's activities and dissemination efforts.
- The Advisory Committee will screen the proposed candidates according to established criteria and make a recommendation to the Board of Trustees.
- The Board of Trustees will make a final decision on accepting/rejecting proposed candidates.

Please send your nominations to [dhalaby@erf.org.eg](mailto:dhalaby@erf.org.eg) along with the contact information of the nominees by *November 30th 2010*.

*ERF News*

## ERF's Endowment Reaches \$10 million

**E**arly in 2010, ERF hit the mark of accumulating an endowment fund of \$10 million, which has been the target of successive ERF managements and Boards of Trustees since its inception in 1993. Meeting the target followed a decision by the Board of the Arab Fund for Economic and Social Development to grant ERF \$1.7 million. With this grant, the cumulative contribution of the Arab Fund to the ERF endowment amounts to \$6.0 million.

The other contributors to the endowment are the International Development Research Center (in the amount of \$2.5 million) and the Ford Foundation (in the amount of \$1.0). The balance comes from the capitalization of part of the returns on the endowment fund.

## ERF Purchased Its Own Premises in Cairo

**A**s ERF activities have been expanding, it became necessary to consider expanding the work space for staff. The options were either to rent bigger premises or to buy a new place. Upon careful assessment, the Board of Trustees decided in favor of purchasing a new premises using part of the endowment fund.

The new location is also in Dokki, Cairo, and is currently being renovated. It will house current and future staff and will be ready before December 2010.

## RIAD Scientific Committee (SC) Meeting

July 4-5, 2010, Cairo

**B**eside the refereeing committees of various proposals in response to calls for papers and external reviewers of proposals, ERF engages a high caliber Scientific Committee in the process of identifying research priorities, assessing submitted proposals and offering guidance on other substantive matters. This SC meets once a year, the most recent meeting was held in Cairo on July 4-5, 2010. At the meeting the committee reviewed progress to date, and gave feedback on the proposals received under the theme of Natural Resources and Diversification, the new round of proposals under the theme of Regional Integration, as well as ERF data initiatives and efforts.



*A sketch of the ERF new premises*

## Notable Publications by ERF Fellows in 2010

ERF fellows are actively publishing their work in books and refereed journals. Below is a list of published work by ERF affiliates from December 2009 until June 2010, the last edition of *Forum*.

### Books

- El-Gamal, Mahmoud and Amy Myers Jaffe.** 2010. *Oil, Dollars, Debt, and Crises: The Global Curse of Black Gold*. Cambridge University Press.
- Mehanna, Rock-Antoine.** *Business and Economic Strategies for Emerging Markets: A Collection of Essays*. Sagesse University Press: Beirut. (forthcoming 2010)
- Mehanna, Rock-Antoine.** *Selected Writings on U.S. Financial and Economic Policies*, (2nd edition). Sagesse University Press: Beirut. (forthcoming 2010)
- Ben Aissa, M.S., I. Drine and M.S. Nabi.** 2010. "Financial Openness and Technology Catch-up: Empirical Evidence from the Mediterranean Basin," In *Globalisation, Institutions and African Economic Development – Proceedings of the African Economic Conference 2008*, African Development Bank Group and United Nations, Economic Commission for Africa and Economica. Paris.
- Davutyan, Nurhan and Mert C. Demir.** 2010. "Transporting Turkish Examtakers: A New Use for an Old Model" In *Economic Forecasting*, A T. Molnar (ed.), Nova Publishers.

### Chapters in Books

- Akder, A. Halis.** 2010. "Forgotten Campaigns: A History of Disease in Turkey," In *Turkey's Engagement with Modernity: Conflict and Change in the Twentieth Century*. Celia J. Kerslake, Kerem Öktem and Philip Robins (eds.). Palgrave Macmillan.
- Al-Maitami, Mohammed.** 2010. "Food and Water Security in Yemen" In *The Battle for Yemen: Al-Qaeda and the Struggle for Stability*, The Jamestown Foundation, Washington DC.
- Assaad, R.** 2010. "The Contemporary Labor Market in Egypt: Formal and Informal Institutions in the Construction Sector." In *Living in Historic Cairo*. Farhad Daftary, Elizabeth Fernea and Azim Nanji (Eds.) Washington DC: Azimuth Editions in association with the Institute of Ismaili Studies and University of Washington Press, pp. 192-206.
- Assaad, R., D. Levison and H. Dang.** 2010. "How Much work is Too Much? Effect of Child Work Hours on Schooling – The Case of Egypt." In *Research in Labor Economics* Vol. 31. Randall Akee, Eric Edmonds and Konstantinos Tatsiramos (Eds.). London: Emerald Group Publishing.
- Ghoneim, Ahmed.** 2010. "Role of State in Competition and Consumer Protection," In *Role of State in a Mixed Economy*, Abdallah Shihatta (ed.), Cairo: Partners for Development (PID).
- Kandil, M.** "Inflation Targeting in MENA Countries," In *Central Banking and Globalization*, Marlon Cappello and Cristian Rizzo (eds.), Nova Science Publisher, (forthcoming).
- Schultz, Paul.** 2010. "Population and Health Policies," In *Handbook of Development Economics, Vol 5*, D. Rodrik and M. Rozenzweig (eds.), Amsterdam: Elsevier.
- Yilmaz, Kamil (with F. X. Diebold).** 2010. "Macroeconomic Volatility and Stock Market Volatility, World-Wide," In *Volatility and Time Series Econometrics: Essays in Honor of Robert F. Engle*, T. Bollerslev, J. Russell and M. Watson (eds.), Oxford: Oxford University Press, March: 97-116.

### Refereed Journals

- Al-Hassan, A., F. Delgado, and M. Omran.** "The Under-Pricing of IPOs in the Gulf Cooperation Council Countries," *Research in International Business*

- and Finance*. (forthcoming).
- Al-Khazali, Osamah**. 2010. "Does Infrequent Trading Make a Difference on Stock Market Efficiency? Evidence from the Gulf Cooperation Council (GCC) Countries," *Studies in Economics and Finance*. (forthcoming).
- Al-Khazali, Osamah, Taisier Zoubi and Evangelos Koumanakos**. 2010. "The Saturday Effect in Emerging Stock Markets: A stochastic Dominance Approach," *International Journal of Emerging Market*, 5: 227-246.
- Altug, S., F. Demers and M. Demers**. 2009. "The Investment Tax Credit and Irreversible Investment," *Journal of Macroeconomics*, 31 (4): 509-522.
- Aly, Hassan Y.** 2010. "The Changing Role of States, Markets, and International Organizations: Does Globalization Warrant a Reevaluation?" *Harvard College Economic Review*, (Invited), 4 (2), Spring: 20-23.
- Assaad, R. C. Binzel and M. Gadallah**. 2010. "Transitions to Employment and Marriage among Young Men in Egypt," *Middle East Development Journal*, 2 (1): 1-50.
- Assaad, R., D. Levison and N. Zibani**. 2010. "The Effect of Domestic Work on Girls' Schooling: Evidence from Egypt," *Feminist Economics*, 16 (1): 79-128.
- Baghestani, H. and B. AbuAl-Foul**. 2010. "Factors Influencing Federal Reserve Forecasts of Inflation," *Journal of Economic Studies*, 37 (2), (May): 196-207.
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- Bilgin, M.H., Lau, C.K.M. and Tvaronaviciene, M.** 2010. "Is China Integrated with Her Major Trading Partners: Evidence on Financial and Real Integration," *Technological and Economic Development of Economy*, 16 (2) : 173-187.
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- Chebbi, Housseem Eddine**. 2010. "Long And Short-Run Linkages Between Economic Growth, Energy Consumption and CO<sub>2</sub> Emissions in Tunisia," *Middle East Development Journal*, 2 (1): 139-158.
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- El-Hamidi, Fatma**. 2010. "Early Retirement in the Government Sector in Egypt: Preferences, Determinants and Policy Implications," *Journal of Developing Areas*, 43 (2).
- Egel, D. and D. Salehi-Isfahani**. 2010. "Youth Transitions to Employment and Marriage in Iran: Evidence from the School to Work Transition Survey," *Middle East Development Journal*, 2 (1), (June): 89-120
- Engelman, M., E. Agree, K. Yount, and D. Bishai**. 2010. "Parity and Parents' Health in Later-life: The Gendered Case of Ismailia, Egypt," *Population Studies*, 64(2).
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**Selim, Tarek H. and John W. Salevurakis.** "Cultural Development and Social Resistance to Change: An Economic Perspective," *Development*, (forthcoming, September, 2010).

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Policy Perspective 1



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*Touhami Abdelkhalek et Fouzia Ejjanoui*

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*Sami Bibi and Rim Chatti*

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*Hanan Morsy*

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*Ridha Nouira, Patrick Plane and Khalid Sekkat*

Working Paper 510

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*Ali T. Akarca and Cem Baslevent*

Working Paper 509