

ERF WORKSHOP ON
The Political Economy Of Contemporary Arab Societies

IN COLLABORATION WITH
THE ISSAM FARES INSTITUTE, AMERICAN UNIVERSITY OF BEIRUT

AUGUST 24-25, 2016
THE AUDITORIUM, ISSAM FARES INSTITUTE
BEIRUT, LEBANON

CONTEXT AND WORKSHOP OBJECTIVES

In its pursuit to better understand the political economy of contemporary Arab societies, ERF launched a call for papers under the title of the workshop. The intention was to encourage researchers to apply rigorous quantitative techniques to analyze the relationship between economics and socio-political behavior using opinion polls. Several subthemes were identified, such as the evolving gender values, gender and work, political participation, and values and migration, but researchers could also come up with new ideas.

The review process led to the acceptance of 14 proposals. The objective of the current workshop is to provide a platform for discussing the draft papers and their preliminary findings among authors and experts in political economy and institutional economics in order to improve the final output.

Put in a larger framework, the work on the political economy of contemporary Arab studies is part of a larger program of work carried out by ERF, under the thematic leadership of Ishac Diwan, on the political and economic transformation in the Arab countries.

AGENDA AND ORGANIZATION

The workshop will convene for 2 days at the American University in Beirut, on August 24-25, 2016, gathering around 30-40 participants. The time allocated for each speaker is 20 minutes and the feedback from a dedicated discussant 10 minutes. The remaining time is for open discussion.

ERF WORKSHOP ON
THE POLITICAL ECONOMY OF CONTEMPORARY ARAB SOCIETIES

IN COLLABORATION WITH
THE ISSAM FARES INSTITUTE, AMERICAN UNIVERSITY OF BEIRUT

AUGUST 24-25, 2016
THE AUDITORIUM, ISSAM FARES INSTITUTE
BEIRUT, LEBANON

AGENDA UPDATES (22 AUGUST 2016)

DAY ONE: WEDNESDAY, AUGUST 24, 2016

9:00-10:15 **Session 1: Setting the Stage**

Moderator: Ahmad Galal (Economic Research Forum)

Welcoming Remarks: Tarek Mitri (Issam Fares Institute for Public Policy and International Affairs)

Guest Speaker: Mark Tessler (University of Michigan)

Assessing religion and other determinants of attitudes toward gender equality: Evidence from 56 surveys in the Middle East and North Africa.

Passive support for the Islamic State in the Middle East and North Africa: Evidence from an Arab barometer survey experiment.

Discussion

10:15-10:30 Coffee Break

10:30-12:30 **Session 2. The Evolution of Gender Values**

Moderator: Insan Tunali (Koc University and ERF)

Speakers:

Veronica Kostenko, Eduard Ponarin, Musa Shteiwi and Olga Strebkova, *Transforming gender attitudes and democratic preferences in the Middle East before and after the Arab Spring.*

May Gadallah, Rania Roushdy and Maia Sieverding, *The formation of youths' gender role attitudes over the transition to adulthood: Evidence from Egypt.*

Mansoor Moaddel, *The veil in the Middle East and North Africa: Finding from cross-national values surveys.*

Discussants: Mohamed Ramadan, Haluk Levant, Veronica Kostenko

12:30-01:30 Lunch

01:30-03:30 **Session 3: Gender Values, Households, and Work**

Moderator: Rayan Al Amin, (Issam Fares Institute for Public Policy and International Affairs)

Speakers:

Ishac Diwan and Irina Vartanova, *Female labor force participation: the role of culture and of household bargaining.*

Eleftherios Giovanis and Oznur Ozdamar, *Empirical applications of collective household labor supply models in Iraq.*

Binnur Balkan, Seyit M. Cilasun, and Haluk Levent, *How gender, religiosity, and ethnicity affect job prospects in Turkey: a field experiment.*

Discussants: Hadi Esfahani, Insan Tunali, Ragui Assaad

03:30-04:00 Coffee Break

04:00-05:30 **Session 4: Inequality in Society and in Households**

Moderator: Hadi Esfahani (University of Illinois and ERF)

Speakers: Hatem Jemmali and Mohamed Amara, *Dynamics & Decomposition of Income Inequality in Tunisia.*

Mohamed Ramadan, Lobna M. Abdellatif, and Sarah A. El-Bakry, *Do policies that support female-headed households increase income inequality?*

Discussants: Maia Sieverding, Miquel Pellicer

DAY TWO: THURSDAY, AUGUST 25, 2016

09:00-10:30 **Session 5: How Migration Affects Values**

Moderator: Nasser Yassin (Issam Fares Institute for Public Policy and International Affairs)

Speakers:

Jamal Bouoiyour, *Do migrants transfer political and social norms to their origin country? Evidence from Arab countries.*

Jackline Wahba, Michele Tuccio, and Ishac Diwan, *Migration and the transfer of norms in the Arab World.*

Discussants: Mohamad Amara, Eleftherios Giovanis

10:30-10:45 Coffee break

10:45-12:15 **Session 6: Education and Political Participation**

Moderator: Mark Tessler (University of Michigan)

Speakers:

Ragui Assaad, Caroline Krafft and Miquel Pellicer, *Education, youth grievances and political participation in Tunisia and Egypt.*

Ishac Diwan and Irina Vartanova, *Education as indoctrination.*

Discussants: Mark Tessler, Eduard Ponarin

12:15-01:30 **Lunch**

01:30-03:00 **Session 7: Recent Global Reports Using Opinion Polls**

Moderator: Sami Atallah (Lebanese Center for Policy Studies)

Guest Speakers

Jad Chaaban, *The Arab Human Development Report 2015 on Youth*

Bi Puranen, *The World Value Survey Report on the Middle East, 2015.*

Discussion

03:00-03:30 **Wrap-up & Next Steps**

Moderator: Ahmad Galal (Economic Research Forum)

Speakers: Rami Khouri (Issam Fares Institute for Public Policy and International Affairs)

Ishac Diwan, Paris Sciences et Lettres & ERF

Open Discussion

**ERF WORKSHOP ON
THE POLITICAL ECONOMY OF CONTEMPORARY ARAB SOCIETIES**

**IN COLLABORATION WITH
THE ISSAM FARES INSTITUTE, AMERICAN UNIVERSITY OF BEIRUT**

**AUGUST 24-25, 2016
THE AUDITORIUM, ISSAM FARES INSTITUTE
BEIRUT, LEBANON**

LIST OF PARTICIPANTS

Name	Affiliation	Email
Aya Ahmed	Paris School of Economics	aya.ahmedelewa@gmail.com
Rayan Al Amin	Issam Fares Institute for Public Policy and International Affairs	re49@aub.edu.lb
Sarah Al Jamal	Issam Fares Institute for Public Policy and International Affairs	se74@aub.edu.lb
Mohamed Amara	Higher Institute of Management of Sousse	mohamed.amara.isg@gmail.com
Ragui Assaad	University of Minnesota	assaad@umn.edu
Sami Atallah	Lebanese Center for Policy Studies	sami.atallah@lcps-lebanon.org
Rihab Bellakhal	Tunis Graduate School of Business	bellakhal_rihab@yahoo.fr
Jamal Bouiyour	University of Pau	jamal.bouiyour@univ-pau.fr
Jad Chaban	American University of Beirut	jc11@aub.edu.lb
Yasemin Satir Çilingir	The Economic Policy Research Foundation of Turkey	yasemin.satir@tepav.org.tr
Ishac Diwan	Paris Sciences et Lettres Institute of Statistical Studies and Research	Ishac_Diwan@hks.harvard.edu
Abdelhameed Elshabrawy	University of Illinois	a.elshabrawy@cu.edu.eg
Hadi Esfahani	University of Illinois	esfahani@illinois.edu
May Gadallah	Cairo University	mayabaza@hotmail.com
Ahmed Galal	Economic Research Forum	agalal@erf.org.eg
Rami Galal	University of London	ramigalal@gmail.com
Eleftherios Giovanis	University of Verona	giovanis95@gmail.com
Manel Hamdi	El Manar University, Tunisia	mannelhamdi@yahoo.fr
Sari Hanafi	American University of Beirut	sh41@aub.edu.lb
Zeina Hasna	World Bank	hasna.zeina@gmail.com
Mahboobeh Jahadi	University of Mazandaran	mejahadi@gmail.com
Amal Jemai	University of Tunis El Manar Faculty of Economic Sciences and Management of Sousse	jemaiamal@yahoo.fr
Hatem Jemmali	Management of Sousse	hatemjemmali79@gmail.com
Aysegul Kayaoglu	Istanbul Technical University	aysegulkayaoglu@gmail.com
Rami Khouri	Issam Fares Institute for Public Policy and International Affairs	rk62@aub.edu.lb
Veronica Kostenko	The National Research University Higher School of Economics	veronika.kostenko@gmail.com
Haluk Levent	Kemerburgaz University	haluk.levent@kemerburgaz.edu.tr
Tarek Mitri	Issam Fares Institute for Public Policy and International Affairs	tmitri@aub.edu.lb
Mansoor Moaddel	University of Michigan	moaddel@umd.edu
Rabeh Morrar	An-Najah National University	rabeh.morrar@najah.edu
Hanan Nazier	Cairo University	hanan.nazier@feps.edu.eg

Name	Affiliation	Email
Oznur Ozdamar	Bologna University German Institute of Global and Area Studies (GIGA)	oznurozdamar@gmail.com
Miquel Pellicer	The National Research University Higher School of Economics	pellicer.miquel@gmail.com
Eduard Ponarin	World Values Survey	ponarin13@gmail.com
Bi Puranen	CAPMAS	Bi@bikupan.se
Mohamed Ramadan	Cairo University	moh_ramadan@icloud.com
Racha Ramadan	American University of Beirut	racha.ramadan@feps.edu.eg
Maia Sieverding	University of Michigan	maia.sieverding@gmail.com
Mark Tessler	Atilim University	tessler@umich.edu
Emre Toros	University of Southampton	emre.toros@atilim.edu.tr
Michele Tuccio	Koc University	m.tuccio@soton.ac.uk
Insan Tunali	Institute for Futures Studies (Stockholm)	itunali@ku.edu.tr
Irina Vartanova	GESIS - Leibniz Institute for the Social Sciences	irina.vartanova@iffs.se
Malina Voicu	Issam Fares Institute for Public Policy and International Affairs	Malina.Voicu@gesis.org
Nasser Yassin		ny05@aub.edu.lb

ERF WORKSHOP ON
THE POLITICAL ECONOMY OF CONTEMPORARY ARAB SOCIETIES

IN COLLABORATION WITH
THE ISSAM FARES INSTITUTE, AMERICAN UNIVERSITY OF BEIRUT
AUGUST 24-25, 2016
BEIRUT, LEBANON

LOGISTICS SHEET

Travel Arrangements

- In case of any delay in your departure, please send us a message on (+002010) 8844995 or reservations department +9611371888 (res.gefinor@rotana.com) to be able to rebook your hotel reservation and arrange for your airport pickup.
- Transportation from the airport to the hotel will be provided to all participants (about 30- minute trip) (9 KM)
- Upon your arrival in Beirut, "Airport pick up" service will be provided by a representative from the hotel. Rotana Ahlan desk
- Your name will be displayed on a screen at Rotana Ahlan desk.
- Airport transportation will be three hours before your departure time. Kindly check out and wait in the lobby area for your transportation.

Workshop Venues

- The workshop for will be held at the Auditorium (Ground Floor) of Issam Fares Institute, AUB.

Hotel Accommodation

- Participants will be residing at: **Gefinor Rotana Hotel** | P.O. Box 113-5202 Beirut Lebanon | T: 00 961 (1) 371888 | F: 00 961 (1) 360831
- Free internet available for all guests.
- The Gefinor Rotana hotel is 2 minutes walking from the AUB.
- Kindly note that ERF does not cover expenses related to laundry, alcoholic beverages, phone calls both local and international, room service or use of the mini-bar& internet.

Meals

- Daily breakfast will be in the Olive Garden restaurant
- Group lunches will be served at AUB
- For participants arriving on the 23rd & departing on the 26th, please take your meals (lunch/dinner) at the Olive Garden. ERF will not cover any meals taken outside this restaurant.

ERF WORKSHOP ON
THE POLITICAL ECONOMY OF CONTEMPORARY ARAB SOCIETIES

IN COLLABORATION WITH
THE ISSAM FARES INSTITUTE, AMERICAN UNIVERSITY OF BEIRUT
AUGUST 24-25, 2016
BEIRUT, LEBANON

ABSTRACTS

Transforming gender attitudes and democratic preferences in the Middle East

Veronica Kostenko, Eduard Ponarin, Musa Shteivi, and Olga Igushkina

This paper focuses on transformations of gender egalitarian attitudes and democratic preferences in a set of Arab societies covered by the Arab Barometer. We analyze thirteen countries of the region polled during the last two waves of the project using generalized additive modeling (GAM). We argue that some of the trends showing a certain retrogression of gender attitudes are due to ideological legacy of the Cold War. We check this assumption using the example of Yemen that was divided into two parts since 1967 to 1990, and the Southern part was supported by the Soviet Union, whereas the North was influenced by Saudi Arabia and the Western bloc. Tracing support for gender egalitarianism across generations in those two parts and comparing them to Saudi Arabia, we see that secular socialist ideology has left a profound footprint on the attitudes of a whole generation, making those who were in their twenties back in 1960-s more egalitarian than the current youth in the region.

The formation of youths' gender role attitudes over the transition to adulthood: Evidence from Egypt

May Gadallah, Rania Roushdy, and Maia Sieverding

This study examines relationships between low female labor force participation, household dynamics, and gender role attitudes, with a focus on young people in Egypt. Using regression and difference-in-difference techniques with the 2009/2014 Panel Survey of Young People in Egypt (SYPE), it will examine two key research questions (1) The effect of mothers' employment on young people's gender role attitudes, and (2) How major life transitions such as marriage and labor force entry change young people's gender role attitudes. For the first time, the SYPE provides a nationally-representative panel survey of youth that covers key areas of the transition to adulthood, including education, employment, family formation, and civic and political participation, as well as youths' opinions on a range of topics related to gender, such as gender preference in employment and education, the right to divorce, and domestic violence. The availability of the data thus offers a unique opportunity to better understand the formation of young people's gender role attitudes during this critical period in Egypt's history.

The effect of patriarchal culture on women's labor force participation

Ishac Diwan and Irina Vartanova

We show that patriarchal culture is correlated with female labor force participation (FLFP) and that levels of women education, together with personal values and country norms in regards to patriarchy explain the regional variations in FLFP observed around the world. We argue that education hides two separate effects: the impact of women's wages on household income, and the impact of a better bargaining position in the household. The inclusion of direct estimates of wages, and of estimates of women's bargaining power, further improves the fit of our predictions. This means that FLFP can be increased not only through the impact of improved education on social norms, but also through higher wages, both because of economic self-interest of the household, and through the impact of higher wages on within-household bargaining when the gender gap in values between men and women is large, as in Muslim majority countries.

Empirical applications of collective household labor supply models in Iraq

Oznur Ozdamar and Eleftherios Giovanis

This study presents various collective household models of labor supply and resource allocation for married couples who are employed using data from the Iraq Household Socio-Economic Survey (IHSES) in 2012-2013. The model set up and the empirical applications are referred to two-earner married couples. The household collective model is preferred over the unitary model as the results support that changes on wages, non-labor income and distribution factors affect the bargaining power and the share of full income for spouses. The findings show that for a one per cent increase on female's daily wage rate, her share on full income is increased by 1,500 Iraqi Dinar (ID) correspond to (\$1.3). Similarly, increases on the male's wage decrease her share by 1,800 ID (\$1.5). Increases of 1 ID in the non-labor income increases female's share by 0.39. In addition, the model and empirical strategy considers the disability status of the spouses. The estimates show that the non-disabled women increase the share by 0.3 more than the disabled ones, while non-disabled men have a higher share on full income by 0.62. Therefore, considering disability, besides the traditional variables, such as wage, non-labor income and household characteristics, including number of children, health status and disability is an important factor that may affect the labor supply choices of the couples, their bargaining power and the intra-household resource allocation.

Inequality of opportunity in the labor market: an experimental study of gender, ethnicity and religiosity discrimination

Binnur Balkan, Seyit M. Cilasun, and Haluk Levent

One of the important features of a well-functioning labor market is its providing opportunity of equality. Particularly, individuals should not be discriminated according to their gender, ethnicity and etc. in hiring and promotion stages. This sort of discrimination is not only against the laws in most of the countries but it also leads to inefficiency in the labor market. This study first investigates the discrimination by gender. Although participation rates both for men and women in Turkey are lower than the OECD averages, the participation rate for women is exceptionally low. It also investigates the hiring stage discrimination between Turks and Kurds in the study. The results of the proposed project will enlighten the possible gender, ethnicity and religiosity discrimination at the hiring stage in the labor market via a genuine method and dataset. The results might shed a light on the political necessities for increasing female labor force participation and the possible effects of polarization in the society through labor market. To the best of our knowledge, our study will be the first correspondence audit study conducted in the MENA region, where all three types of discrimination might be relevant. Indeed, being the first practice in a developing country setting, this project is expected to have distinctive international value.

Do migrants transfer political and social norms to their origin country? Evidence from Arab countries

Jamal Bouoiyour

It is important to note that there is remarkably little understanding or empirical evidence about the substantial the role that may play migration in changing the social structures and cultural 4 practices. Our project seeks to address this void by means of a careful econometric analysis and an original micro data. An in-depth analysis of the migration trends coupled with the major changes in Arab societies will be reported. This project meticulously examines the consequences of migration in terms of behaviors and political attitudes (such as satisfaction with democracy, non-electoral participation, participation in an organized protest/march, and tolerance to others religions), political preferences, and gender and wealth inequality perception, among others. Moreover, the gender, education, and generational differences will be considered in our analysis. Further, the impact of remittance flows as drivers and pathways of local-level change and social transformation in Arab societies will be thoroughly examined in this project because connections between migrants and their families often manifest through the sending of remittances. In this research, we will attempt to discuss policy-level responses essentially from a migration perspective.

Diaspora networks as a bridge between civilizations

Jackline Wahba, Ishac Diwan and Michele Tuccio

This paper explores where having a migrant abroad influence the values and norms of the household members in the home country. Using Gallup data that covers opinions in over 90 countries, we find that the values of households in eight Arab countries are affected by the existence of migrants from the household, and that the destination countries of these migrants matter. Households with migrants in the West have more positive attitudes towards the west than those with no migrants, or with those that have migrants in a GCC country. We also show that in Tunisia, having a migrant abroad has helped household members go through the painful events post revolution while keeping a positive attitude towards the future, independently of their income level.

Grievances or skills? The effect of education on youth political participation and attitudes in Egypt and Tunisia

Ragui Assaad, Caroline Krafft and Miquel Pellicer

This project seeks to analyze the effect of education on youth grievances and selected aspects of political participation in Egypt and Tunisia. In order to do so, we will analyze two novel and rich data sets recently made available: the Survey of Young People in Egypt from 2013/14 and the World Banks' Tunisia Urban and Rural Youth Surveys of 2012. Moreover, we will attempt to generate causal estimates by controlling for family background using fixed effects as well as instrumenting education with a policy change.

Education as indoctrination

Ishac Diwan and Irina Vartanova

While our previous work had established a strong correlation between the low demand for democracy (and participation in civic action) and the level of education, these results can be due to a third factor, such as Islam, as driving both a low demand for democracy and conservative individual values. In other words, we had not established causality between education and individually held ideology. The goal of the work under this proposal is to try to establish that such a causal mechanism exists, not only in the MENA region, but also in other (stable) autocratic regimes in the world. The potential policy implications of this research are important and innovative. So far, much of the discussion about the quality of education had focused on whether it produces the skills needed in the work place. If education indeed can "cause" conservative and anti-democratic values, then an important set of policy reforms that new democratic regimes, such as in Tunisia, need to urgently consider involves changing their education systems in ways that make the "social returns" to education larger, in order to consolidate the new democratic gains for the future.

On the decomposition and dynamics of inequality of opportunities: a special focus on early childhood health and nutrition in Tunisia

Hatem Jemmali and Mohamed Amara

It is widely recognized in the public health literature that health and nutrition during the early childhood period have important long-term and sometimes irreversible consequences on health and wellbeing later in life. In this paper, we attempt to analyze deeply the patterns of inequality of opportunity in health and nutrition outcomes among under-five children in Tunisia. In order to attain such objective, we use several tools, including comparison of the distributions of considered outcomes across a number of circumstances groups; computation of the Human Opportunity Index and estimation of the relative contributions of circumstances using the Shapley decomposition. The main finding reveals reasonable and low levels of inequality in access to all basic healthcare services and nutrition except access to improved water and sanitation. The parents' education, wealth and location of residence are key factors causing such low inequalities. Without more inclusive and pro-poor policy interventions, there are few chances for children belonging in poor families and living in marginalized rural areas to spring out of the poverty lived by their parents.

On the decomposition of economic inequality: A methodology and an application to Tunisia

Hatem Jemmali and Mohamed Amara

The paper provides a detailed examination of the structure and dynamics of economic inequality in Tunisia by using harmonized micro-data from national household budget surveys for 2005 and 2010. It assesses, over the considered period, the levels and sources of urban-rural, as well as littoral-inland disparities drawing on the Recentered Influence Function (RIF) regression approach proposed by Firpo, Fortin, and Lemieux (2009). The main findings of the study reveal that, in contrast to the decrease in within-region inequality, between-region inequality has increased slightly between the two years. Disparities in households' endowments such as human capital, demographic composition, and regional location appear as the main sources of the urban-rural welfare gap, while inequality between littoral and inland regions is driven mainly by the differences in returns effects. The main part of these endowment and returns effects results from the intergenerational transmission of parental background particularly the father's education. Any policy action that ignores this key factor may induces few chances for the next generations to spring out of the poverty and inequality lived by their parents.

How gender biased are female-headed-households transfers in Egypt?

Lobna Abdellatif, Mohamed Ramadan and Sarah Elbakry

Poverty is considered one of the chronic economic and social problems, which has been facing Egypt along many decades. Therefore, the successive governments devoted a lot of attention to design different policies and programs to either support the poor or eliminate the poverty. In 1998, Datt and Jolliffe introduced the profile of poverty in Egypt, according to their results, Female-Headed Households were more likely to be poor and had higher measures of the depth and severity of poverty. These findings grounded the policy of targeting of female-headed households. However, other results show that poverty is more associated with the composition of the family more than who is heading it. This indicates that the core of poverty may be significantly related to the individual characteristics, specifically gender, which could be aggravated by other factors such as location. We claim that the policy of female-headed households' targeting may generate bias against women in male-headed households who may be more poverty constrained. In other words, targeting female-headed households may have the merit of clear targeting. However, it doesn't address the feminization phenomenon of poverty. It presents unequal opportunities for women in other families by less favoring them. We argue that the proper targeting could be derived by the intensity of women in families.