



*Knowledge, Research Networks, and Development Policy*

ERF 25<sup>th</sup> ANNUAL CONFERENCE

10 - 12 March 2019 | Kuwait City, Kuwait

The Economic Research Forum's (ERF) Annual Conference, a tradition maintained since 1995, has become the premier regional event for economists of the Middle East; where new ideas are created and disseminated, where the community of researchers meet, and where excellence is celebrated. This year's conference is very special as it marks the 25<sup>th</sup> anniversary of the ERF, which was established in 1993 to build a strong research capacity in the region. It was one of the first institutions, if not the only one, to connect economic researchers from across the region.

This year's conference is held under the theme of *Knowledge, Research Networks, and Development Policy*. Hosted by the Arab Fund for Economic and Social Development, it will be held throughout 10-12 March 2019 in Kuwait City, Kuwait. This is a timely topic in light of the significant political, social, and economic transformation currently witnessed in the region, and it is also highly relevant to ERF's celebration of its achievements, aspirations, community, and partners. The plenary sessions will feature world-renowned economists and thought leaders to provide attendees with valuable, thought-provoking ideas and viewpoints to take forward the region's agenda towards economic growth and sustainable development.

The design of this year's conference will be different from previous years. There will be four main plenary sessions, and two special panels, which will feature prominent economists, social scientists, and policymakers. This year, a number of special events will be held in celebration of the ERF's 25<sup>th</sup> anniversary. The parallel sessions will feature a larger number of diverse papers across cross-cutting critical themes selected on the basis of a rigorous refereeing process in response to an open call for papers. The closing plenary session will celebrate the winners of what has become a regional certificate of excellence: The Best Paper Award. The ceremonial gala dinner will be an opportunity to express the gratitude and acknowledgement of the ERF's founding members and management, and to the ERF prestigious community of researchers who have enriched the ERF with their valuable contributions.

## Conference Theme

Countries in the MENA region face a myriad of lingering and emerging development challenges, ranging from achieving sustained job-creating growth to meet the youth bulge and dealing with climate change and environmental degradation, to building peace and reconstructing societies and economies coming out of conflicts. The answer has been and will continue to be *strong institutions and good governance*. However, in the emerging increasingly *digitalized* global economy, MENA, like other developing regions, should deploy whatever institutional capacity it has to promote meaningful knowledge- and innovation-based development policy. As an economic development model, *Knowledge Economy* is based on the creation, transfer, and dissemination of knowledge and innovation. It hinges on four pillars: *economic and institutional framework, educated and skilled population, innovation systems, and dynamic information infrastructure*. These four pillars are necessary to create knowledge that needs to be transformed into products valued by the MENA markets to promote growth, create jobs, and increase welfare. Although some countries in the region have adopted concrete plans towards building knowledge economies and have started to invest in these four pillars, more work needs to be done, especially for those who have yet to take the first preliminary steps.

Networks, such as social networks, firm networks, and research networks, are major players in the *Knowledge Economy*, where they expand information and technologies and catalyze ideas and resources. For instance, social networks are widely used in the current economic literature given their importance in understanding the behavior of individuals and their decisions. In turn, this facilitates the implementation of policies that would effectively impact individual behaviors. Firms and research networks allow for the production and dissemination of knowledge as well as the creation of new jobs, which is crucial for the MENA region in light of its high level of structural unemployment, especially among youth.

Therefore, governments and other stakeholders in MENA countries should view the *research network* as a centerpiece of the eco-system of the envisaged knowledge economy that can achieve sustainable job-creating growth in the emerging technology- and knowledge-intensive global economy.

## Plenaries, Panels, and Special Sessions

Three plenaries are planned to address the following issues: first, *Knowledge, Economic Research Networks and Development Policy*; second, *The Role of Knowledge in the Process of Innovation in the New Global Economy*, and third, *Job-creating Growth in the Emerging Global Economy*. Another special plenary highly relevant to the ERF's 25<sup>th</sup> anniversary asks the question of which schools of thought have dominated economic research and policymaking in MENA and how they evolved over time. In addition, the first panel documents the emerging role of the ERF in partnership with statistics offices in the region as a premier repository of labor, households, and other micro datasets from the region. The second panel addresses the role of the new ERF research agenda in tackling new challenges faced by the region. The session will also feature a presentation of the WDR2019 on *The Changing Nature of Works* and responses from leading policymakers in the region. Finally, there will be a special session on the *Faces and Voices from the ERF Community* reflecting on their past experiences with the ERF and their aspirations for the future.

### *Plenary Session 1: Knowledge, Economic Networks, and Development Policy*

The use and application of knowledge along with the expansion of information and communication technologies, known as the *Knowledge Revolution*, are a major source of economic development. However, MENA countries lag behind other countries in this regard, given the low investment in education, information infrastructure, and research and development. Thus, economic networks connecting firms with researchers, universities, and other stakeholders as policymakers and international organizations allow for the creation, transfer, and dissemination of knowledge and innovation. This knowledge may lead to the emergence of new industries or the reform of existing ones, which will therefore result in creating jobs, increasing growth, and achieving sustainable development.

This panel aims to tackle the process of moving forward on the path towards a knowledge economy by answering the following questions:

- What are the main barriers facing the MENA region?
- What are the main lessons to learn from the International community?
- What is the role of existing research networks, such as the ERF, in catalyzing knowledge and achieving sustainable development?
- What is the likely future direction of development research in the new era of digitalization, big data, and GVCs, and how should development research networks, such as the ERF, shape their future research agenda?

### *Plenary Session 2: The Role of Knowledge in the Process of Innovation in the New Global Economy*

In a new global economy witnessing a knowledge revolution, investment in intangible assets has become the main characteristic of the *Knowledge Economy*. This intangible economy is driven by proprietary knowledge, ideas, and innovation. Although characterized by high upfront costs as well as high risks, these intangible investments pave the way for low marginal costs and large potential returns and rewards to strategic behavior.

Therefore, this panel will discuss the following questions:

- What are the main conditions needed for intangible investment?
- What are the main channels needed to produce knowledge and transform it into innovation in the MENA region?
- What is the institutional framework needed to incentivize the creation of patents and proprietary knowledge?
- How can we achieve a balance between protecting intellectual properties and protecting consumers against the power of innovative firms? What role should governments play on the national, regional, and global scales?

### *Plenary Session 3: Job-Creating Growth in the Emerging Global Economy*

A knowledge- and innovation-based economy requires young educated and skilled population able to utilize current knowledge to create new ideas that can be transformed into new products valued by the market. Innovation Networks such as “cluster” or “milieu innovateur” include innovative firms, universities, and other institutions. Created locally or globally, these networks are prime sources of knowledge creation and innovation. New ideas are therefore transferred and diffused between the different members of the network; consequently, creating new jobs to absorb new entrants to the labor market.

Therefore, this panel will attempt to answer the following questions:

- How might the emerging digitized global economy and GVCs, among others, affect the development strategies for MENA and other developing countries, including regarding:
  - The relative effectiveness of manufacturing and services as enablers of job-creating growth
  - The role of Knowledge and innovation in shaping public policy and development strategies in general
- How might the collaboration between innovative firms and universities solve the existing mismatch between the outputs of the educational system and the needs of the labor market?
- What are the main challenges faced by the MENA region to invest in skilled and educated human capital? And what is the role of early childhood education in developing the skillsets needed for new jobs?
- How will governments react to the unemployment created by the disappearance of jobs due to the emergence of new technology and knowledge?

### *Special Plenary: Schools of Thought and Economic Research and Policymaking in MENA*

This special plenary deliberates the schools of thought that dominated the economic sphere in MENA. The discussions, which are based on a region-wide survey of economists, aim to apprehend how economic policies are and have been designed in MENA. Given the recent political and economic changes in the region, it is important to understand how the schools of thought play a role in shaping public policies as well as overall development strategies.

#### *Panel 1: From Data to Policy – Rewarding Partnership with Statistics Centers in the Region*

This special plenary will convene the heads of National Statistical Offices (NSOs) from the region, as well as researchers and policymakers, to celebrate the achievements of the ERF Open Access Micro Data Initiative (OAMDI), and to showcase the ERF data collection and harmonization efforts made possible through the strategic cooperation with NSOs. The session will also highlight the value of sharing micro data and emphasize the research-to-policy link.

#### *Panel 2: ERF in the Emerging New Normal and the Changing Nature of Works*

The ERF is a research network that generates and disseminates knowledge addressing the main challenges faced by the MENA region. These challenges include large scale violence and civil wars, inequality, employment, climate change, environmental damage, and subsidies and social justice. However, in the emerging global context of technological progress and innovation changing the nature of work and the dramatic decline in oil prices known as the *New Normal*, these challenges will remain, and new challenges will appear. Although innovation is known to transform living standards, it may be the reason behind widespread

unemployment as John Maynard Keynes warned in 1930. But the new World Development Report 2019 *The Changing Nature of Work* showed that technology will provide "*opportunities to create new jobs, increase productivity, and deliver effective public services. Through innovation, technology generates new sectors and new tasks.*"

Against this backdrop, this panel will reflect on the quarter century of ERF research and policy outreach, including the first two years of the current ERF Strategy 2017/2021, and explore the future direction of the ERF, accounting for ideas from a wide and diverse group of ERF researchers; policy makers from the region; and partners from the development and knowledge community.

Day One	Day Two	Day Three
<p>8:00-9:00 Registration</p> <p>9:00-11:00 Opening and Plenary Session 1: Knowledge, Economic Networks, and Development Policy</p> <p>Chairperson: <i>Abdlatif Al-Hamad (Arab Fund for Economic and Social Development and ERF)</i></p> <p>Welcome Remarks: <i>Ibrahim Elbadawi (Economic Research Forum)</i></p> <p>Keynote Speaker: <i>Paul Collier (University of Oxford)</i></p> <p>Panelists:  <i>Jean Lebel (IDRC)</i>  <i>Xavier Briggs (Ford Foundation)</i>  <i>Hafez Ghanem (World Bank)</i>  <i>Ferid Belhaj (World Bank)</i></p>	<p>9:00-11:00 Plenary Session 2: The Role of Knowledge in the Process of Innovation in the New Global Economy</p> <p>Chairperson: <i>Shireen Azzawi (Santa Clara University)</i></p> <p>Keynote Speaker: <i>Rohinton Medhora (Centre for International Governance Innovation)</i></p> <p>Lead Commentaries:  <i>Hassan Aly (Nile University)</i>  <i>Shahrokh Fardoust (William and Mary University)</i></p>	<p>9:00-11:00 Plenary Session 3: Job- Creating Growth in the Emerging Global Economy</p> <p>Chairperson: <i>Yousef Al-Ebraheem (The Amiri Diwan)</i></p> <p>Keynote Speaker: <i>Lant Pritchett (University of Oxford)</i></p> <p>Lead Commentaries:  <i>Massoud Karshenas (University of London)</i>  <i>Ishac Diwan (Paris Sciences et Lettres)</i></p>
11:00-11:30 Coffee Break	11:00-11:30 Coffee Break	11:00-11:30 Coffee Break
<p>11:30 - 13:00</p> <p>Parallel Sessions: Seven sessions (three papers per session, 21 papers in total)</p> <p><i>Internal Note – Meeting with Donors (Closed Meeting)</i></p>	<p>11:30 - 13:00</p> <p>Parallel Sessions: Seven sessions (three papers per session, 21 papers in total)</p> <p><i>Internal Note – BOT Meeting</i></p>	<p>11:30 - 13:00</p> <p>Parallel Sessions Seven sessions (three papers per session, 21 papers in total)</p> <p><i>Internal Note – Meeting with NSO Heads (Closed Meeting)</i></p>
13:00 -14:30 Lunch Break	13:00 -14:30 Lunch Break	13:00 -14:30 Lunch Break

<p>14:30- 16:00</p> <p><b>Special Plenary:</b> Schools of Thought and Economic Research and Policymaking in MENA</p> <p><b>Chairperson:</b> <i>Karima Korayem (Al-Azhar University)</i></p> <p><b>Keynote Speakers:</b> <i>Mahmoud Mohieldin (World Bank)</i> <i>Rana Hendy (Doha Institute)</i></p> <p><b>Panelists:</b> <i>Kabbashi Suliman (University of Khartoum)</i> <i>Hassan Hakimian (University of London)</i> <i>Mohamed Marouani (Université Paris1Panthéon-Sorbonne)</i> <i>Almukhtar Al-Abri (Sultan Qaboos University)</i> <i>Mine Cinar (Loyola University)</i> <i>Nidal Sabri (Birzeit University)</i></p>	<p>14:30- 16:00</p> <p><b>Panel 1:</b> From Data to Policy – Rewarding Partnership with Statistics Centers in the Region</p> <p><b>Chairperson:</b> <i>Ibrahim Elbadawi (ERF)</i></p> <p><b>Presenters:</b> <i>Yasmine Fahim (ERF)</i> <i>Ragui Assaad (University of Minnesota and ERF)</i> <i>Touhami Abdelkhalek (L'Institut National de Statistique et d'Economie Appliquée (INSEA) and ERF)</i></p> <p><b>Panelists:</b> <i>Heads of National Statistical Offices</i></p>	<p>14:30- 16:00</p> <p><b>Panel 2:</b> ERF in the Emerging New Normal and the Changing Nature of Works</p> <p><b>Chairperson:</b> <i>Samir Makdisi (American University in Beirut and ERF)</i></p> <p><b>Presenter:</b> <i>Ibrahim Elbadawi (ERF)</i></p> <p><b>Panelists:</b> <i>Noha El-Mikawy (Ford Foundation)</i> <i>Roula El-Rifai (IDRC)</i> <i>Rabah Arezki (World Bank)</i> <i>Hanan Morsy (African Development Bank)</i></p>
<p>16:00- 16:30 <b>Coffee Break</b></p>	<p>16:00- 16:30 <b>Coffee Break</b></p>	<p>16:00- 16:30 <b>Coffee Break</b></p>

<p>16:30- 18:00</p> <p>Research Fellows Meeting</p>	<p>16:30- 18:00</p> <p>Special Session: <i>Faces and Voices from ERF: Reflecting on Past Experiences and Future Aspirations</i></p> <p>Chairperson: <i>Heba Handoussa (Egypt Network for Integrated Development)</i></p> <p>Panelists: <i>Rania Al-Mashat (Minister of Tourism and ERF)</i> <i>Ibrahim Saif (Former Minister of Energy &amp; Mineral Resources and ERF)</i> <i>Yousef Al-Ebraheem (The Amiri Diwan)</i> <i>Fatima Al Shamsi (Paris-Sorbonne University Abu Dhabi and ERF)</i> <i>Mouna Cherkaoui (Mohamed V University and ERF)</i> <i>Mohamed Trabelsi (IMF and ERF)</i> <i>Racha Ramadan (Cairo University and ERF)</i> <i>Nader Kabbani (Brookings Doha Center)</i> <i>Murat Kirdar (Boğaziçi University)</i></p>	<p>16:30- 18:00</p> <p>Closing Session and Award Ceremony</p> <p><i>Celebrating Excellence</i></p> <p>Chairperson: <i>Ibrahim Elbadawi (ERF)</i></p> <p>Book Reviews</p> <p><i>Hoda Selim (International Monetary Fund)</i></p> <p><b>Institutions and Macroeconomic Policies in Resource- Rich Arab Economies</b> – edited by K. Mohaddes, J.B. Nugent and H. Selim</p> <p><i>Mongi Boughzala (University of Tunis El Manar)</i></p> <p><b>The Tunisian Labor Market in an Era of Transition-</b> edited by Ragui Assaad and Mongi Boughzala</p> <p><i>Adeel Malik (University of Oxford)</i></p> <p><b>Crony Capitalism in the Middle East</b> – edited by I. Atiyas, I. Diwan and A. Malik</p> <p>Best Paper Award Winners</p>
<p>20:00</p> <p>Welcome Dinner</p> <p><i>Internal Note –GCC Initiative Meeting (Closed Meeting)</i></p>	<p>20:00</p> <p>Gala Dinner – <i>Celebrating the ERF 25<sup>th</sup> Anniversary</i></p> <p>Master of Ceremony <i>Ahmed Ghoneim (Cairo University and ERF)</i></p>	