

ECONOMIC RESEARCH FORUM

ANNUAL REPORT

2016



About ERF

Our Mission

The Economic Research Forum (ERF) is a regional network dedicated to promoting high quality economic research to contribute to sustainable development in the Arab countries, Iran and Turkey.

Our Objectives

Established in 1993, ERF's core objectives are to build strong research capacity in the ERF region, to lead and support the production of independent, high quality economic research, and to disseminate research output to a wide and diverse audience.

Our Activities

To achieve these objectives, ERF carries out a portfolio of activities. These include mobilizing funds for well conceived proposals; managing carefully selected regional research initiatives, collecting and sharing micro data and providing training and mentoring programs to junior researchers. It also includes organizing seminars and conferences based on research outcomes; and publishing research output through multiple channels including working papers, books, policy briefs and perspectives, Middle East Development Journal (MEDJ) and a newsletter – *Forum*.

Our Network

The ERF network comprises a distinguished Board of Trustees (BOT), accomplished researchers from the region and highly dedicated head-office staff. A not-for-profit organization, the Forum is supported by multiple donors, both regional and international.

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Contents

About ERF	ii
Message from the Chairman of the Board of Trustees	1
Message from the Managing Director	2
A Word of Thanks from the Former Managing Director	3
A Word of Gratitude	4
Network and Capacity Building	5
ERF Affiliates	5
Capacity Building	5
Participation in International Conferences	7
Partnerships	8
Network News	9
Research Activities	11
Thematic Coverage	12
Research Profile	13
Micro Data	20
Policy Dialogue	26
Communications and Outreach	29
Annual Conference	29
Other Conferences	31
Workshops and Seminars	32
Publications	36
Annexes	39
Annex A. ERF Network and Partners	39
Annex B. Research Projects	51
Annex C. Publications	69
Annex D. Financial Statements	75

Message from the Chairman of the Board of Trustees



This has been a special year for ERF. It is with great pleasure that I introduce the ERF 2016 Annual Report, express special thanks to Dr. Ahmed Galal and extend warm welcome to Dr. Ibrahim Elbadawi.

First and foremost, as the Chairman of the Board of Trustees, I am particularly proud of ERF's contribution to the region over the years. The ERF network and research have been at the forefront of tackling regional challenges, diligently addressing policy concerns and building national research capacity.

ERF has a highly credible track record of conducting quality research of relevance to the development agenda of the region, spanning a wide-range of vital issues - including the political economy of public policy in the Arab world - natural resource management and economic diversification - and youth unemployment. The activities of 2016 – detailed in this report – provide testimony to ERF's exemplary contributions.

This progress owes much to the dedication of ERF's management, staff and affiliates, and the unwavering support and commitment of our generous donors. I would like to extend my thanks to the World Bank for partnering with the Arab Fund for Economic and Social Development in supporting the Arab Spring Development Initiative. I would also like to thank the International Development Research Center, the Ford Foundation and the Swiss Government for their invaluable support.

A heartfelt appreciation is due to Dr. Ahmed Galal for his astute leadership of ERF 2007 – 2016. Dr. Galal developed ERF to become the leading regional network in knowledge creation and capacity building over his 10 years tenure.

A warm welcome to Dr. Ibrahim Elbadawi, ERF Managing Director effective January 2017. Dr. Elbadawi brings along an impressive research record and management expertise. I am confident that he will be taking ERF to where it is most valuable, by continuing to build capacity for producing rigorous, policy economic research and effectively deploying it to promote evidence-based policy dialogue in the ERF region.

Finally, I must acknowledge the members of the Board of Trustees and all the ERF Fellows and Associates for their dedication and hard work. And as Research Fellows have completed the voting for their representatives on the Board of Trustees, I would like to take this opportunity to thank the outgoing members and welcome the new ones.

I wish you all well on the long journey ahead and hope ERF will continue on its successful path.

Abdlatif Al-Hamad

A handwritten signature in black ink, appearing to read 'Al-Hamad', with a long horizontal stroke extending to the right.

Chairman of the Board of Trustees
Economic Research Forum

Message from the Managing Director

I'm delighted to introduce this year's Annual Report – a special year marking ERF commendable progress building research capacity, generating a wealth of knowledge and most importantly founding the most distinguished economic research network in the region.

These are exciting and challenging times for ERF. How can ERF best promote high quality economic research to contribute to inclusive and sustainable development in the region?

As our Strategy for 2017 – 2021 notes, ERF needs to evolve continually with a fast changing regional challenges, building on its core strengths and success track record. Building on ERF's core accomplishments, the new Strategy gives us important guidance moving forward. The Strategy will be centered around developing new research programs and modalities for dealing with three defining challenges: the region-wide instability and conflicts, global economic transformations and the emerging 'new normal' in the global oil markets, the glaring gaps in terms of research capacity and the quality of the policy dialogues within our region.

ERF has a significant leadership role to play. Demand for robust research to inform future pathways is needed more than ever before. ERF is well positioned to play a prominent role as a capacity builder – adopting an inclusive network approach to strengthen the ERF representation and outreach, as champion of development research – launching new evidence based research initiatives to inform the policy processes and maximize impact, and as intelligent broker - developing strategic partnerships with donors and international organizations to address regional challenges in the global context. ERF's strength, relevance, responsiveness and effectiveness hinges upon being able to meet the varied capacity building needs of the wide range of countries in the region on the one hand and effectively deploying the acquired capacity to fulfil the need for robust evidence based research to inform the policy process on the other.

The draft Strategy also challenges us to respond to development challenges in innovative, integrated ways whilst sharpening our inclusive network approach. New research, new modalities and broader partnerships will be set out. The Strategy also addresses the rapidly evolving partnership landscape and emphasizes the importance of actively strengthening and building new strategic partnerships with an extensive range of development actors to bring research to action. Finally, it challenges us to break free from limitations imposed by our existing organizational processes and encourages a move towards more flexible results-oriented approaches.

Overall the draft Strategy signals a determination to maintain and build upon ERF's long standing commitments to promoting high quality economic research and affirming the need to increased relevance and attention to maximizing impact.

I am counting on your continued support to contribute to inclusive and sustainable development in the region.



Ibrahim Elbadawi



Managing Director
Economic Research Forum

A Word of Thanks from the Former Managing Director



This word is to express my gratitude to each and every one of you for your contribution to making ERF the most vigorous, dynamic and innovative research institute on economic issues in our region.

We have indeed come a long way. Collectively we tackled new areas of inquiry, most creatively in advancing our understanding of the political economy of transformation in the region, inequality and labor markets. We provided a platform for different voices to debate the best way to address regional challenges, and paid more attention, in recent years, to the policy relevance of our work. We worked hard to strengthen the capacity of a new generation of young, bright and dynamic researchers from our region. We established a new peer-reviewed journal and enriched the library with several books and articles on our region. We made ERF a depository of micro data. And we increased our endowment to above \$18 million and secured a beautiful residence in Cairo. In short, I believe we lived up to the aspirations of the founders of ERF. We should take pride in what we have been able to achieve together.

During my tenure, I received unwavering support from our donors and benefited from the wise council of our chairman and members of the board as well as members of the advisory and scientific committees. Many of you were incredibly generous with their time and effort, providing intellectual leadership and acting as reviewers, discussants or journal editors. I have learned a great deal in the process and hope I did match your contributions. Equally important, I have come to treasure my friendship with most of you and only hope to continue this friendship.

I would also like to thank the staff of ERF for their commitment and dedication to the mission of the institution. I have observed this group literally grow over time and by now they are a valuable asset to the proper functioning of ERF. I regard them as true soldiers and the guardians of ERF.

All of the above does not mean that ERF cannot do better. On the contrary, the sky is the limit for able and ambitious individuals and institutions. Indeed, the business of knowledge creation and making it relevant to policy making is never ending. I am confident that the spirit of our community will take us to higher and even better places than has been possible so far.

Thank you once again and looking forward to continuing our enriching interaction.

Ahmed Galal

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

Former Managing Director
Economic Research Forum

A Word of Gratitude

I'm honored to assume leadership of ERF effective January 2017. I would like to start my tenure with a special word of appreciation to the founders of the ERF family and institution.

Prof. Makdisi and Prof. Kanaan, former Chairmen of the ERF Board of Trustees, and their fellow members of the Board, we are grateful for your insight, guidance and your leadership throughout the ERF journey since its inception in 1993.

Prof. Handoussa, Dr. Radwan, Dr. Galal and ERF team, thank you for bringing a dream to reality, for setting the foundation to excel and for being an inspiration to the ERF family.

We celebrate today's success thanks to steadfast support of our donors and strategic partners; the World Bank, Arab Fund for Economic and Social Development, International Development Research Center, Swiss Agency for Development and Cooperation, Ford Foundation, European Commission, and the Global Development Network. We are most grateful for your continued support, enthusiasm and commitment.

I would like to mark special gratitude and appreciation to the astute leadership of our Chairman and members of the Board, to the tenacity, passion and perseverance of our esteemed network of fellows and affiliates, and to the dedication of my colleagues at the ERF secretariat. Your work is instrumental to bring along change and prosperity, to make a true difference to people's lives.

I am proud to have been a member of the ERF community since its inception and look forward to our work together to better serve our region and extended community.

Ibrahim Elbadawi



Managing Director
Economic Research Forum



Network and Capacity Building

One of ERF's main distinguished features is its rich network of researchers, which has been the cornerstone of its activities and has over the years contributed to making ERF the leading regional research institution in the Middle East and North Africa. Since its inception in 1993, sustained effort has been made to strengthen the ERF network, and 2016 was no exception.

ERF Affiliates

In 2016, the ERF network continued to expand, attracting both seasoned and young researchers of diverse interests, age groups and gender. By the end of 2016, ERF affiliates reached a total of 322 members. Last year, the ERF Board of Trustees approved the affiliation of three new Research Fellows, 13 new Research Associates and two Policy Affiliates into the network.

At the end of 2016, the number of Research Fellows accounted for 55 per-cent of the total network; Research Associates 23 percent; Senior Associates and Policy Affiliates 13 and eight percent, respectively. The affiliates come from prominent research and academic institutions, international organizations and governments, both inside and outside the region.

The number of female affiliates has been steadily growing over time.

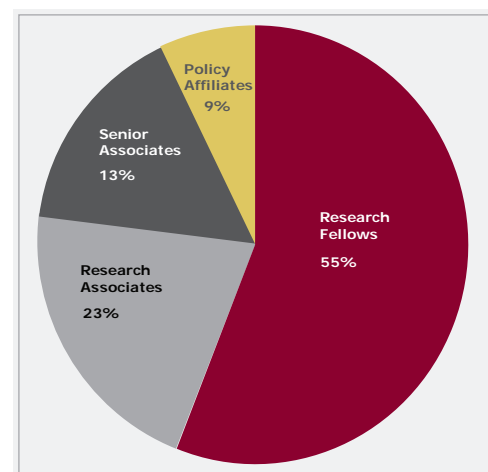
Table 1. ERF Affiliates by Gender

	Gender		Total
	Male	Female	
Research Fellows	143	35	178
Research Associates	47	28	75
Senior Associates	41	1	42
Policy Affiliates	16	11	27
Total	247	75	322

Table 2. ERF Affiliates by Residency

	Residency		Total
	Inside	Outside	
Research Fellows	98	80	178
Research Associates	54	21	75
Senior Associates	33	9	42
Policy Affiliates	23	4	27
Total	208	114	322

Figure 1. ERF Affiliates by Category, 2016



CAPACITY Building

ERF organized a number of activities in 2016 as part of its efforts to strengthen the capacity of researchers from the region. These events included tailored training workshops, mentoring (in some cases) and sponsoring the participation of promising researchers in international conferences.

Training Workshops

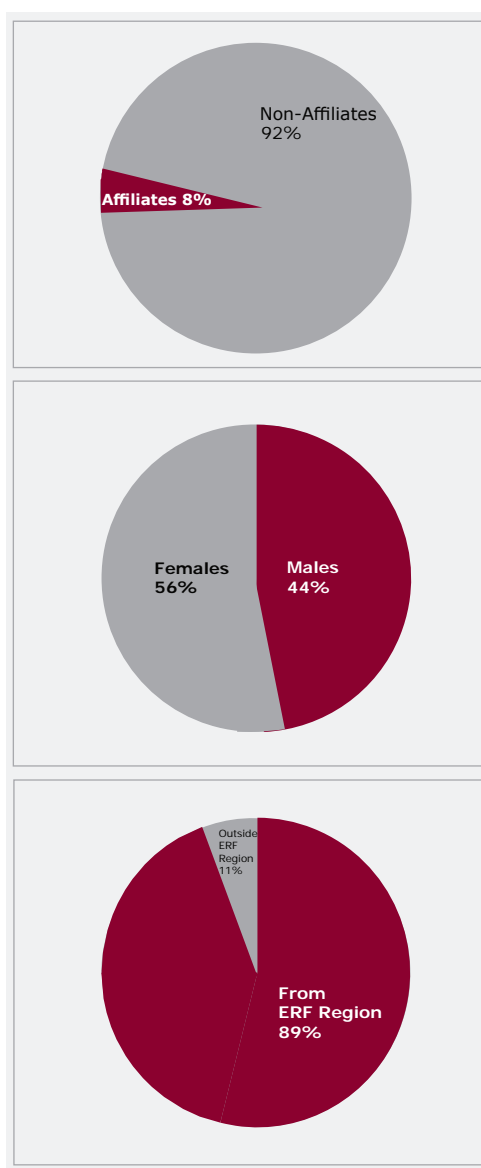
In 2016, ERF organized four training workshops. In essentially all cases, trainees were selected through an open and competitive call for participation on the basis of explicit eligibility criteria. Overall, ERF sponsored the participation of 104 trainees in different workshops. The majority of participants were non-ERF affiliates (92 percent), and most of them were from the ERF region (89 percent). There was a strong gender balance, with 56 percent of trainees being women. The feedback received from the trainees has been generally positive. Below is a description of each of these training workshops.

Applied Micro-econometrics and Public Policy Evaluation, January 4-6 and July 25-27, Cairo, Egypt

Based on the success and high demand for this training, it was held twice in 2016; first in January, and later on in July, conducted both times by Ragui Asaad and Caroline Krafft. Through theoretical and practical sessions, the aim was to provide participants with a deeper understanding of micro-econometric estimation techniques that are widely used in public policy evaluation.

Several methods were illustrated and discussed, such as selection correction models, instrumental variables, difference-in-differences, panel data models

Figure 2. Participation in Training Events by Affiliation, Gender and Residency



Network and Capacity Building

(fixed and random effects), regression-discontinuity design and matching estimators. Participants acquired detailed knowledge and hands-on experience in public policy evaluation techniques.

Opinion Poll Data Analysis Using Multilevel Models, August 22-23, Beirut, Lebanon

This workshop addressed the use of opinion poll data to test theories related to attitudes, gender equality, civic action, democracy and human security, and economic policy preferences in MENA countries. The purpose was to link norm changes to underlying circumstances at the individual level, such as family background, ethnicity, gender, generation and place of origin, as well as at the national level, such as GDP per capita, economic structure, political variables, etc.

The two-day workshop, which was conducted by Ishac Diwan, Irina Vartanova and Eduard Ponarin, covered themes like multilevel modelling, model diagnostics and selection, random effects visualization and multilevel logistic regression. The workshop is part of the capacity building activities carried out by ERF under its Arab Spring Development Initiative (ASDI).

Writing Effective Policy Briefs, September 25-26, Cairo, Egypt

In order for academic research to inform development policy and improve people's lives, it needs to be translated into a language accessible to the general public, including, but not limited to, policymakers, legislatures, business

community and media. Policy briefs are used to synthesize and inform the public about existing research knowledge on a policy or practical issue of importance. ERF held a workshop to discuss the required techniques for producing effective policy briefs. The objective was to help researchers to produce a sound policy brief, understand the relationship between research and policy, and turn top-quality research into policy advice.

PARTICIPATION in International Conferences

In 2016, ERF continued to sponsor the participation of young researchers in international conferences so they can present their findings and/or gain exposure to international research.

Supporting Participation of Young Researchers in the 36th Annual Meeting of the Middle East Economic Association (MEEA), January 3-6, San Francisco, USA

ERF supported the participation of four young researchers from the region who had already been accepted to present their research work at the MEEA meeting. The meeting is a part of the Allied American Economic Association (ASSA) Annual Meeting.

PARTNERSHIPS

ERF works closely with similar institutions and is fortunate to benefit from the support of a number of committed donors who believe in its mission.



Trainers and trainees during various ERF training workshops, 2016.

In 2016, ERF continued to be one of seven regional partners to the Global Development Network (GDN). In the context of this collaboration, ERF has been managing an annual regional research competition for the past 16 years. This year's call for proposals was on the economics of health care in the ERF region.

FEMISE is a Euro-Mediterranean network, which was established as a French non-profit organization in 2005 after eight years of operation. FEMISE is coordinated by ERF in Egypt and the Institut de la Méditerranée in France. The network currently comprises close to 100 economic research institutes from the North and South of the Mediterranean, representing 37 countries. FEMISE carries out a variety of activities, including conducting research on the Euro-Mediterranean region, thus complementing ERF's work. In 2014, FEMISE won a call for funding by the Eu-

ropean Commission on: "Support to Economic Research, Studies and Dialogues of the Euro-Mediterranean Partnership." The new project, launched in March 2015 and for a duration of four years, includes a number of research and dissemination activities, including workshops and conferences.

FEMISE launched an internal competition (open for affiliate institutions) in 2016, under the theme of "Navigating Through the Transition of the South Med Countries." Out of 15 submitted research proposals, nine were selected for funding by FEMISE. In addition, ERF is taking the lead role on the production of the 2016 EuroMed Report on the theme of "Economic Management Under Fire: Navigating the Transition in South-Med Countries"



Trainers and trainees during various ERF training workshops, 2016.

The purpose of this report is to take stock of the macroeconomic consequences during the transition in South-Med countries and assess macroeconomic management in response to political shocks.

NETWORK

News

ERF has a new Managing Director

Upon the successful completion of his two terms tenure as Managing Director of ERF, Ahmed Galal stepped down at the end of December 2016. ERF initiated the search for a new Managing Director (MD), and a three-member search committee was formed by the Board of Trustees in March 2015. The committee began the process with a view to presenting a short list of candidates to the Board in March 2016. After interviewing the candidates,

the Board chose Dr. Ibrahim Elbadawi as the new MD and announced their decision during the Annual Conference in March 2016.

Starting January 2017, Elbadawi has become ERF's New Managing Director. Prior to that, Elbadawi had been the Director of the Macroeconomics Research Department at the Dubai Economic Council since March 2009. Until February 2009, he was Lead Economist at the Development Research Group of the World Bank, which he joined in 1989. Before that he was Associate Professor of Economics at the University of Gezira in Sudan. He holds a PhD in Economics and Statistics from North Carolina State and Northwestern universities in the U.S.

During his work at the World Bank Elbadawi also served as Research Director of the African Economic Research Consortium (Nairobi, 1993-1998), on external leave from the Bank. His work in mac-

roeconomic and development policy and the economics of civil wars and post-conflict transitions is widely published. His regional specialization covers Africa and the Middle East, where he is an active participant in academic research and policy forums in the two regions. He is also a non-resident Research Fellow with the Center for Global Development, and until recently before joining ERF, he was the Associate Editor of the Middle East Development Journal, and Thematic Leader for the “Natural Resource Management and Economic Diversification” theme at ERF.

ERF becomes a founding member of the Global Research Consortium on Economic Structural Transformation (GReCEST)

The Global Research Consortium on Economic Structural Transformation (GReCEST) aims to build an open platform for advancing frontier thinking and innovative practices. It was initiated by the Center for New Structural Economics at Peking University. GReCEST plans to promote collaborative and frontier research and practices on economic structural transformation through the organization of annual conferences, workshops and other activities to disseminate research findings. It also aims to facilitate South-South and North-South learning on economic structural transformation by fostering knowledge platforms for sharing development experiences from both developed and developing countries.

ERF is one of the 33 founding members of the consortium. The GReCEST research agenda includes nine themes. The founding members will advance this research agenda through the forma-

tion of nine working groups for critical topics concerning economic structural transformation. ERF joined the theme of “Global Value Chain and Industrial Policy” along with 16 other institutes from the North and South.

ERF participated in a two-day GReCEST Inaugural Conference, which was held in December 2016 in Beijing, China. On the first day of the conference, the founding members shared their experiences in structural transformation initiatives they had undertaken. Moreover, the founding members agreed on the consortium’s bylaws and annual work plan. The second day included three in-depth panel discussions featuring rural transformation, special economic zones and knowledge platforms.

ERF strengthens its ties with the media to increase visibility and awareness

ERF has continually strived to produce economic research that contributes to the advancement of knowledge about its region. To increase the visibility of its research and better inform public policy, ERF took the initiative of working closely with the media. In 2016, it partnered with media syndicate in Egypt and is currently doing the same in Tunisia, with a view to organize national dialogues. In addition, ERF systematically distributed press releases ahead of various events, invited media representatives to attend these events and even organized interviews for them with some of the key speakers. In parallel, ERF continued to use social media (Facebook, Twitter, YouTube and blogs on conference topics) to connect with the online community.

Research Activities

To fulfill its mandate, ERF has continued to encourage and support economic research about its region with a particular focus on areas where knowledge gaps are striking. In 2016, research topics came under the following five themes: Equity and Inequality, Natural Resources and Economic Diversification, Political Economy of Transformation, Labor and Human Resource Development as well as Gender and Women Economic Empowerment. In addition, research covered other areas in economics in the context of the GDN regional research competition and the ERF annual conference. Meanwhile, work on micro data also proceeded vigorously.

Each area of focus is led by a Thematic Leader or A Program Leader (see Figure 3). The progress made under each area is outlined below.

- On Equity and Inequality, the research agenda proceeded under three sub-themes: (i) inequality measurement, which included initiating work on household assets and land, (ii) the policy drivers of inequality, and (iii) rural poverty, rural development and rural-urban migration.
- On Labor Markets, the work continued to focus on building the data infrastructure (projects on labor market data collection in Tunisia and Jordan). In addition, further work was carried out on labor market dynamics, incentives for higher education and labor demand.
- On Natural Resources and Economic Diversification, progress was made on several fronts, including macro-economic institutions, optimal exchange rate regimes, firm-level export diversification, sovereign wealth funds and long-term sustainability questions. The latter included the implications of the fracking revolution on Arab oil economies, the contractual relationships between host governments and MNCs, capital market financing of firms and the historical role of political institutions in shaping oil management.
- On the Political Economy of Trans-

Figure 3. Thematic and Program Leaders, 2016

Themes		
<i>Ragui Assaad</i> Labor and Human Resource Development	<i>Ibrahim Elbadawi</i> Natural Resources and Economic Diversification	
<i>Ishac Diwan</i> Political Economy of Transformation in the Arab World	<i>Ravi Kunbur and Rana Hendy</i> Equity and Inequality	
Programs		
<i>Christiane Wissa</i> Open Access Micro Data Initiative	<i>Rana Hendy</i> Gender and Women's Economic Empowerment	<i>Mustapha Nabli</i> Policy Dialogue Program

formation, the research agenda involved understanding the pulse of the Arab street (wave 2) and various aspects of the ongoing social, economic and political transformations in Arab societies. In addition, research in this area emphasized the issue of private sector dynamism, cronyism and state-business relations.

- On Gender and Women's Economic Empowerment, work covered issues on life course transitions, as well as gender equality and social protection.
- In terms of research projects, ERF initiated 29 new projects under dif-

ferent themes in 2016, bringing the total number of ongoing and new projects to 98 projects engaging 159 researchers (Table 3).

Thematic Coverage

The distribution of these projects by theme is shown in Figure 4 below. The theme on "Political Economy" has delivered the highest number of projects (28), followed by "Equity & Inequality" (26 projects)

Research projects were initiated through competitive calls for proposals or commissioned directly to well-established

Table 3. Summary of ERF Research Projects in 2016

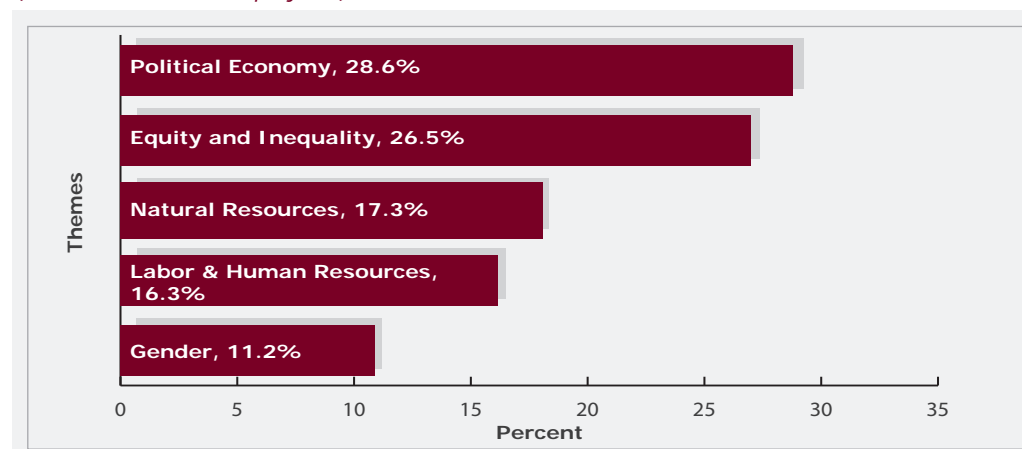
(in numbers)

Research Projects	Projects	Researchers*	Geographical Coverage	
			Country	Regional
Research Competitions	60	77	49	11
Structured Research Projects	38	82	13	25
Total	98	159	62	36

* These numbers exclude research presented at ERF's 22nd Annual Conference. The table also does not cover the research projects undertaken under the umbrella of FEMISE.

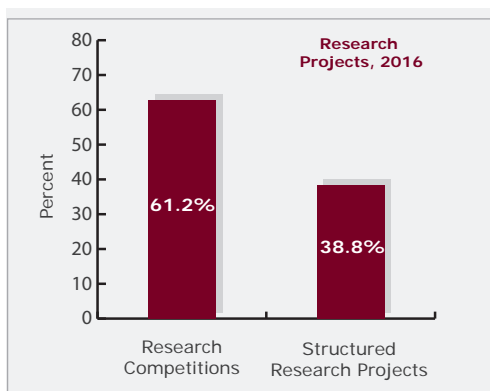
Figure 4. Research Projects by Theme

(% of total number of projects)



Research Activities

Figure 5. ERF Research Projects, 2016
(% of total number of projects)



experts in specific fields. Around 61 percent of all ERF-managed projects in 2016 were conceived through a competitive process. Regardless of the modality of initiation, the selection process was guided by clear criteria, peer reviews and the scrutiny of a reputable Scientific Committee.

Research Profile

As can be seen from Figures 6, research projects engaged 159 researchers, a third of whom were women, 110 were non-affiliates (69 percent) and 89 resided in the region (56% of the total).

By the end of 2016, ERF completed 49 projects, continued to manage 20 ongoing projects and initiated 29 new ones. Below is a listing of these projects, along with the names of the lead author(s).

Figure 6. Research Projects by Researchers' Residency, Gender and Affiliation
(% of total number of projects)

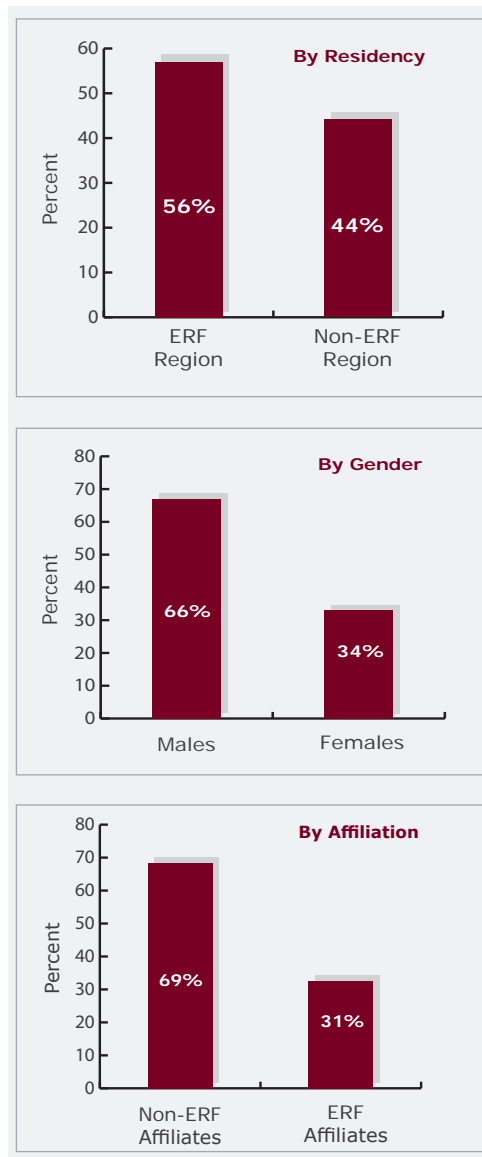


Table 4. ERF Research Projects by Stage of Processing and Lead Researchers, 2016*

Project	Team Leaders
Completed Projects	
How did Trade Policy Affect Inequality in the MENA Region?	Akiko Suwa-Eisenmann and Chahir Zaki
Is Internal Migration a Way to Cope with Climate Change? Evidence from Egypt	Adel Ben Youssef, Nguyen Viet Cuong and Mohamed Arouri
Rural-to-Urban Migration and Development in Turkey	Aysegul Kayaoglu
The Economic Response of Rural Areas to Local Supply Shock: Evidence from Palestine	Belal Fallah
The Impact of Recent Investments on Transportation Infrastructure on Rural Development in Turkey	Belgi Turan
Migration, Gender, Decision-making and the Environment in Saiss Region (Morocco)	Dina Najjar
Maghreb Rural-Urban Migration: the Movement to Morocco's Towns	Bouoiyour Jamal
Rural-Urban Migration and Income Disparity in Tunisia: A Comparative Analysis Between Rural Migrants and Residents	Hatem Jemmali
Did the Cost of Living Rise Faster for the Rural Poor? Evidence from Egypt	Shireen AlAzzawi
Agricultural Trade Liberalization with the EU: Spatial impacts on Employment and Poverty in Tunisia	Chokri Thabet
Impact Evaluation of the Moroccan National Human Development Initiative (INDH) on Rural Poverty in Morocco, a Household Panel Survey Study	Mohamed Benkassmi
Implications of the "Fracking Revolution"	Lutz Kilian and Kamiar Mohades
Dealing with Multinational Oil Companies: Issues, Experiences and Lessons for the Arab Oil Countries	Jenik Radon and Sarah Logan
Capital Market Financing by Firms in the Arab World	Sergio Schmuckler
State Capture: Evidence from Tunisia	Hassan Arouri, Leila Baghdadi and Bob Rijkers
Is There a MENA Variety of Capitalism?	Steffen Hertog
Moroccan Cronyism: Facts, Mechanisms and Impact	Saadi Med Said
Private Banking and Crony Capitalism in Egypt	Ishac Diwan and Marc Schiffbauer
I've Got the Power: Mapping Connections between Lebanon's Banking Sector and the Ruling Class	Jad Chaaban
Cronyism and Job Creation in Lebanon	Ishac Diwan and Jamal Haidar
Mapping Firm Ownership Structure in the Islamic Republic: Parastatal and Private Sectors in Relational Perspective	Kevan Harris

Research Activities

Table 4. Continued

Project	Team Leaders
Completed Projects	
Public Private Partnerships in Egypt: Rules versus Deals	Sahar Tohamy
Anatolian Tigers and the Emergence of the Devout Bourgeoisie in Turkey	Izak Atiyas, Ozan Bakış and Esra Ceviker Gurakar
The Network of Interlocking Directorates in Morocco: Controlling Banks and insurances and Capturing Pension Funds	Oubenal Mohamed
The Politics of Partial Liberalization: Cronyism and Non-Tariff Protection in Mubarak's Egypt	Adeel Malik and Ferdinand Eibl
Debunking Myths: Economic Values in the Arab World Through the Prism of Opinion Polls	Ishac Diwan and Zafiris Tzanatos
Political Connections and Public Procurement in Turkey: Evidence from Construction Work Contracts	Esra Çeviker Gürakar and Tuba Bircan İldiri
Incentives for Better Quality Higher Education	Ragui Assaad
Labor Market Dynamics in MENA	Ragui Assaad
Labor Mobility in Egypt, Jordan and Turkey: A Multi-State, Multi-Spell Analysis Using the ELMPS, JLMPS and TWMHS	Zeynep Başak and Erol Taymaz
Do Remittances and International Migration Affect the Performance of Labor Market in Jordan? An Empirical Investigation	Ghazi Alassaf
The Selection Aspects of Emigration in Egypt at the Individual, Household and Community Levels: The Local Impacts of Emigration on Poverty and Inequality Through Investment and Local Labor Market Effects	Sami Bensassi, Anda David and Joachim Jarreau
Institutional Challenges for Responsive Gender Budgeting in Egypt: Budgetary vs Political Institutions	Lobna M. Abdellatif, Mohamed A. Ramadan, Mohamed Zaky
Women's Economic Empowerment Through Microfinance Services - Focus: Tunisia	Walid Jebili and Mathilde Bauwin
Energy Subsidy Reform in Egypt: The Gender – "Energy" Poverty Nexus	Fatma El-Hamidi
The Economics of Life Course Transitions in the Middle East and North Africa	Ragui Assaad
Ladies and Gentlemen, Microfinance Needs to Consider Your Different Social, Risk and Time Preferences: An Experimental Study in Rural Egypt	Mohamed El-Komi
Social Protection, Gender and the Consumption Patterns of the Poor: The Role of NGOs in Poverty Reduction in Iran	Hadi Salehi Esfahani, Roksana Bahramitash
Social Protection and Gender in Iran: Assessing the Differential Impact of Social Protection Activities on Female-Headed versus Male-Headed Households	Hadi Salehi Esfahani, Seyed Mohammad Karimi

Table 4. Continued

Project	Team Leaders
Completed Projects	
Does Microcredit Reduce Gender Inequality? An Application of Decomposition Analysis to Egypt	Mohamed Arouri, Nguyen Viet Cuong
The Impact of the Turkish Employment Subsidy Programs in Increasing the Level of Social Protection for Women	Belgi Turan, Seyit Mumin Cilasun, Binnur Balkan
Pension Payments, Social Transfers and Income Inequality in Turkey: How Important is the Gender Dimension?	Cem Başlevent
The Effect of Survivors' Benefits on Poverty and Health Indicators of Women and Children in Single-Mother Households: A Turkish Case Study	Oznur Ozdamar, Eleftherios Giovanis
Determinants and Impact of Household's Out-of-Pocket Healthcare Expenditure in Sudan: Evidence from Urban and Rural Population	Ebeidalla Mahjoub Ebaidalla & Mohammed Elhaj Mustafa
Access to Healthcare, Utilization and Health Outcomes in Turkey	Firat Bilgel and Burhan Can Karahasan
Who Pays More: Public, Private, Both or None? The Effects of Health Insurance Schemes and Health Reforms on Out-of-Pocket and Catastrophic Health Expenditures in Turkey	Eleftherios Giovanis and Oznur Ozdamar
The Link Between Health Insurance Schemes, Health Expenditures, Productivity and Living Conditions Growth of Households in Turkey	Eleftherios Giovanis and Oznur Ozdamar
Out-of-Pocket Health Expenditure and Household Budget: Evidence from Arab Countries	Reham Rizk and Hala Abou Ali
Out-of-Pocket Health Expenditures in Turkey in the Aftermath of the Reforms	Burcay Erus
Ongoing Projects	
The Impact of Fiscal Policy on Inequality and Poverty in the Arab Countries, Iran and Turkey: Applying the Commitment to Equity (CEQ) Framework to Egypt	Rana Hendy and Nizar Jouini
Regional Inequalities in Child Malnutrition in Egypt, Jordan and Yemen: a Blinder-Oaxaca Decomposition Analysis	Mesbah Sharaf and Ahmed Rashad
Socioeconomic Inequalities in Infant Mortality in Egypt: Analyzing Trends Between 1995 and 2014	Mesbah Sharaf and Ahmed Rashad
Asset Inequality in MENA: the Missing Dimension?	Shireen AlAzzawi and Vladimir Hlasny
Composition and Distribution of Household Asset, Labor Market Outcomes and Women's Empowerment in MENA	Shireen AlAzzawi and Vladimir Hlasny

Research Activities

Table 4. Continued

Project	Team Leaders
Ongoing Projects	
Does Household Asset Inequality Cause Migration? Evidence from Egypt	Mohamed Arouri and Cuong Nguyen
Linking Empowerment and Agricultural Production to Women's Access to Land in Egypt	Dina Najjar and Aymen Frija
Welfare, Inequality and Political Cleavage: Evidence from Iran	Atiyeh Vahidmanesh
Household Asset Inequality in Turkey: How Informative is the Survey of Income and Living Condition?	Cem Baslevent
Optimal Simple Fiscal Rules for Commodity Exporters	Steven Pennings
Oil Production, Entrepreneurship and the Allocation of Talent	Tiago Cavalcanti and Kamiar Mohaddes
Sovereign Wealth Funds and Macroeconomic Stabilization in the Home Economy	Ibrahim Elbadawi, Raimundo Soto and Hoda Youssef
SWFs and Home and Cross-border Investments	Ibrahim Elbadawi, Hoda Selim, Raimundo Soto and Chahir Zaki
Optimal Portfolio Composition for SWFs	Diaa Nouredin and Khouzeima Moutanabbir
On the Determinants of Sovereign Wealth Funds' Investments: Are Arab SWFs Different?	Mohamed Arouri, Sabri Bou-baker and Wafik Grais,
Political Economy of Sovereign Wealth Funds in the Oil Exporting Countries of the Arab Region and Especially the Gulf	Jeffrey Nugent and Sarah Bazoobandi
Oil Funds – Risks and Opportunities	Gawdat Bahgat and Abderrahim Chibi
How Oil has Impacted Political Institutions in the Middle East Beyond Revenues: A Historical and Comparative Approach	Sami Atallah
The Role of the State in MENA Capital Markets	Alissa Amico and Steffen Hertog
Employment and Unemployment in Tunisia	Mongi Boughzala and Ragui Assaad
Initiated Projects	
Oil Rents and Political Violence	Ibrahim Elbadawi, Chahir Zaki, and Hoda Selim
A Theory of Popular Uprisings and Violence: the Role of Resource Rents, Minority Rule and Social Polarization	Ibrahim Elbadawi and Omer Ali
Post-conflict Reconstruction in the Aftermath of Destructive Civil Wars: a Growth Strategy for Syria	Ibrahim Elbadawi

Table 4. Continued

Project	Team Leaders
Initiated Projects	
The Lack of Productive Employment in the Middle East and North Africa	Howard Pack and Shantayan Devarajan
The Macroeconomics and the Political Economy of Exchange Rate Regimes Under Secular Commodity Price Shocks and Lessons for the Oil-dependent MENA Countries	Klaus Schmidt Hebbel
Assessment of Competition Policy in Arab Countries in Transition	Ishac Diwan and Jala Youssef
Transforming Gender Attitudes and Democratic Preferences in the Middle East	Veronica Kostenko, Eduard Ponnarin, Musa Shteivi and Olga Igushkina
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
On the Decomposition of Economic Inequality: A Methodology and an Application to Tunisia	Hatem Jemmali and Mohamed Amara
The Effect of Patriarchal Culture on Women's Labor Force Participation	Ishac Diwan and Irina Vartanova
Grievances or Skills? The Effect of Education on Youth Political Participation and Attitudes in Egypt and Tunisia	Ragui Assaad, Caroline Krafft and Miquel Pellicer
Diaspora Networks as a Bridge between Civilizations	Jackline Wahba, Ishac Diwan and Michele Tuccio
Empirical Applications of Collective Household Labor Supply Models in Iraq	Oznur Ozdamar and Eleftherios Giovanis
Do Migrants Transfer Political and Social Norms to Their Origin Country? Evidence from Arab Countries	Jamal Bouoiyour
Inequality of Opportunity in the Labor Market: An Experimental Study of Gender, Ethnicity and Religiosity Discrimination	Binnur Balkan, Seyit M. Cilasun and Haluk Levent
The Formation of Youths' Gender Role Attitudes Over the Transition to Adulthood: Evidence from Egypt	May Gadallah, Rania Roushdy and Maia Sieverding
Education as Indoctrination	Ishac Diwan and Irina Vartanova
Changes in Political Engagement and Belief Formation in Egypt and Turkey	Mansoor Moaddel
How Gender Biased are Female-Headed-Households Transfers in Egypt?	Lobna Abdellatif, Mohamed Ramadan and Sarah Elbakry
Education Effects on Days out of Work and Hospitalization: Evidence from Turkey	Aysit Tansel

Research Activities

Table 4. Continued

Project	Team Leaders
Initiated Projects	
The Effect of Public Sector on Private Jobs: Evidence from Palestine	Belal Fallah
Estimating Labor Demand Elasticities and Elasticities of Substitution in Egypt: A Firm Level Static Analysis	Hanan Nazier
In Search of a New Development Model for Tunisia: Assessing the Performance of the Offshore Regime	Leila Baghdadi, Sonia Ben Kheder and Hassen Arouri
Information and Communication Technologies and Employment Generation in the Turkish Manufacturing Industry	Yılmaz Kılıçaslan and Ünal Töngür
Turtles or Gazelles: Understanding the Determinants of Employment Creation in the Labor Market in MENA Countries	Hassan Aly, Youssef Daoud, Amr Ragab and Ayhab Saad
Innovation & Labor Demand in MENA	Tamer Taha, Robin Cowan, Micheline Goedhuys and Pierre Mohnen
ERF-World Bank "Egypt: Youth Essay Competition"	Sara Taraman and Jala Youssef
Youth Vulnerability in the MENA Region	Ragui Assaad, Caroline Krafft and Maia Seiverding
Syrian Refugees in Jordan: The Challenge of Sustainable Development	Ragui Assaad and Jackline Wahba
Micro Data Sets	
Household and Firm-Level Surveys Data	Christiane Wissa
Jordan Labor Market Panel Survey (JLMPS)	Ragui Assaad and Bassem Shannaq
Tunisia Labor Market panel Survey (TLMPS)	Ragui Assaad

* A brief summary of each project is given in Annex B at the end of this annual report.

Micro Data

Macro data is, by and large, accessible in many global databases, so the most binding constraint is associated with access to micro data. ERF has long recognized that micro data is essential for conducting solid policy-relevant research. And since data are a public good, ERF has worked to address this problem as a priority.

Since its first collaboration with the Central Agency for Public Mobilization and Statistics (CAPMAS)- the Egyptian statistical office- in 1998, ERF has been taking a leading role in creating the region's micro data infrastructure required to carry out research projects. Since then, ERF has continued to expand this work by collaborating with national statistical offices across the region to acquire micro data sets and provide free access to researchers. Under the data program, several activities take place, including: (i) Data Collection and Harmonization, (ii) Provision of Open Access Micro Data Initiative (OAMDI), and (iii) Strengthening Relationships and signing memorandums of understanding with Statistical Offices and Other Partners.

Data Collection & Harmonization

Data collection efforts continued to intensify during 2016. To date, ERF has acquired 41 Household Income and Expenditure Surveys (HIES) from 15 Arab countries (Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Mauritania, Morocco, Palestine, Somalia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen), 50 Labor Force Surveys (LFS) from five Arab countries (Egypt, Jordan, Palestine, Tunisia and Yemen) and two Household Health Surveys (HHS) from Sudan.

ERF has also been able to acquire the Survey of Young People in Egypt (SYPE) for 2009 and 2014, and signed a Letter

of Understanding (LOU) with the Population Council in Egypt- the raw data producer- in

April 2016, allowing ERF to make these data sets publicly available on its data portal. Later in June 2016, an amendment to this LOU was signed between both parties, allowing ERF to produce a harmonized version of both SYPE 2009 and 2014 and disseminate it through the ERF data portal.

Building on previous successful cooperation with National Statistical Offices, ERF is currently collecting a second round of the Jordan Labor Market Panel Survey (JLMPS) in collaboration with the Department of Statistics (DoS) in Jordan. The data set is expected to be made available on the ERF data portal by 2018.

ERF has also started discussions with CAPMAS in Egypt to organize for the collection of a fourth round of the ELMPs in early 2018.

The Tunisia Labor Market Panel Survey (TLMPs) 2014 was documented and disseminated on the ERF data portal in August 2016,

in addition to an Integrated version of all LMPs, compiling the five data sets collected

in Egypt, Jordan and Tunisia (ELMPs 1998, 2006 and 2012, JLMPS 2010 and TLMPs 2014).

"OAMDI provides the household-level data needed."

Data User, 62 years, Germany

"The experience with OAMDI was very smooth, very good, the application for data was very professional and fast."

Data User, 37 years, Italy

Research Activities

Furthermore, ERF aims to preserve and make available all data sets collected under its funded projects through acquiring and disseminating them on the portal; for example, firm-level data sets on the constraints facing the development of Micro and Small Enterprises, covering Jordan, Lebanon, Egypt and Morocco.

Data cleaning, harmonization and dissemination efforts by ERF's in-house team of statisticians also continued vigorously in 2016. By the end of the year, the ERF data portal held 68 data sets, compared to 45 data sets in 2015, of which 24 are Harmonized Household Income and Expenditure Surveys (HHIES) from six Arab countries (Egypt, Iraq, Jordan, Palestine, Sudan, and Tunisia), 20 Harmonized Labor Force Surveys (HLFS) from Egypt, Jordan, Palestine and Tunisia, four Harmonized Household Health Surveys (HHHS) from Iraq and Sudan, six Labor Market Panel Surveys (LMPS) from Egypt, Jordan and Tunisia, two Higher Education Graduates Surveys (HEGS) in two Arab countries, two Surveys of Young People in Egypt (SYPE), in addition to ten firm-level data sets (seven on Micro and Small Enterprises from four countries, two on exports and imports from Egypt, and a data set on the constraints facing the

"Other data types you would like to access on OAMDI: More firm level data (economic census or industrial surveys), agricultural data and environmental data"

Data user, 27 years, Egypt

development of Micro and Small Enterprises from two governorates in Egypt). This in addition to nine more HLFSs and HHIESs that were already harmonized and are currently being prepared for dissemination. Thus, it is expected

that 2017 would witness the dissemination of more harmonized data sets through the ERF data portal as more progress is being made on the cleaning, harmonization and documentation of acquired data sets.

The coming year will also witness an expansion of scope in light of the research orientation in ERF, with an aim to provide access to new types of micro data. During 2017, and building on ERF's successful experience in making Household-Level Micro data available, ERF intends to create a large Sectoral and Firm-Level survey database and make it available for free for the data users. In addition, ERF is also extending its data activity to include disseminating data on conflicts in the ERF region and beyond.

In this context, ERF is currently extending negotiations with many Sectoral and Firm-Level data producers, such as the United Nations Industrial Development Organization (UNIDO) and the World Bank, in addition to National Statistical Offices (NSOs) collecting Economic Census data.

UNIDO possesses a large sectoral-level database in around 170 countries covering the period 1963-2014. The database provides the number of establishments, number of employees, wages and salaries, output, value added, gross fixed capital formation and the number of female employees, on the year, country and sectoral levels.

On the other hand, the World Bank Enterprises and Investment Climate Surveys Data is a very useful source for the firm-level data in 148 countries, 18 of which are in the ERF region.

ERF is also exploring different platforms for collaboration with organizations concerned with the collection of data on conflicts, such as the Armed Conflict Location and Event Data Project (ACLED).

The ACLED data set presents a geo-referenced coding of violent political activities that occurred between 1997 and 2016 in a number of African and Asian countries. The activity is expected to expand in 2017 to cover the Middle East and other countries.

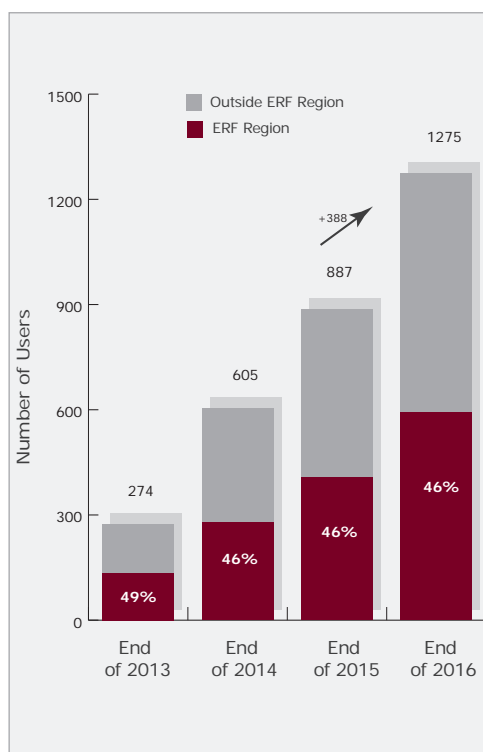
Access to the Open Access Micro Data Initiative (OAMDI)

Open access to data is critical to ensure transparency. Historically, many household surveys and firm data have never been publicly shared in the region. Providing researchers with open access to micro-data will promote innovation, as data collected for one purpose may be useful for many, and only open data will ensure that data are used efficiently.

OAMDI is a unique initiative providing researchers with free access to several types of micro data. This online automated data portal is set up to encourage responsible use of micro data by registered researchers, respecting confidentiality and copyrights of the national statistical offices and ERF.

Since its launch in 2013, OAMDI continues to serve a global community of researchers. By the end of 2016, ERF's online data portal had served the needs of 1,275 researchers, compared to 887 users by the end of 2015. (see Figure 7). Access to the wealth of data is open to all, regardless of whether they are from the ERF region or affiliated to

Figure 7. Number of OAMDI Data Users since Launch by Region
(in numbers)



ERF. Around close to half of researchers accessing the data were from the ERF region (46 percent), as shown in Figure (7), while only a minor percentage (around 3.4 percent) are affiliated to ERF, as shown in Figure (8).

In 2016, ERF granted access to around 1,754 micro data sets. The number of surveys accessed in 2016 increased by 80 percent compared to the number in 2015, confirming the users' growing trust in OAMDI data quality and credibility. This is in addition to the growing diversification in

"A very positive experience both in terms of the breadth of available microdata and the responsiveness of OAMDI staff."

Data User, 40 years, USA

Research Activities

Figure 8. Data Users by ERF Affiliation, 2016
(% of total number of users)

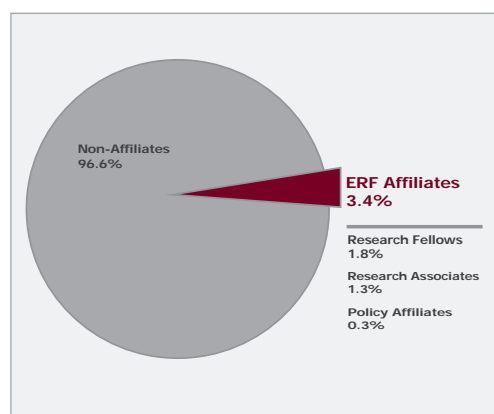
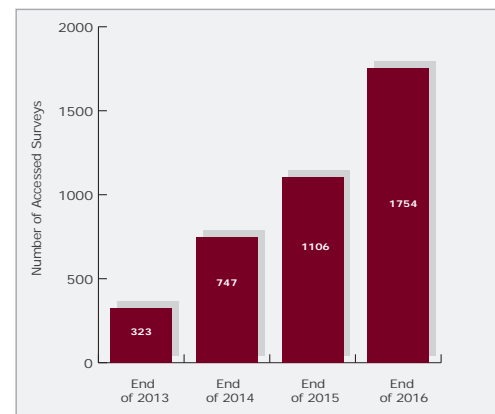


Figure 9. Number of Accessed/Downloaded Surveys since Launch
(in numbers)



"It is a quite rich and reliable data portal; the employees are helpful and the response to questions is very quick which make work easier."

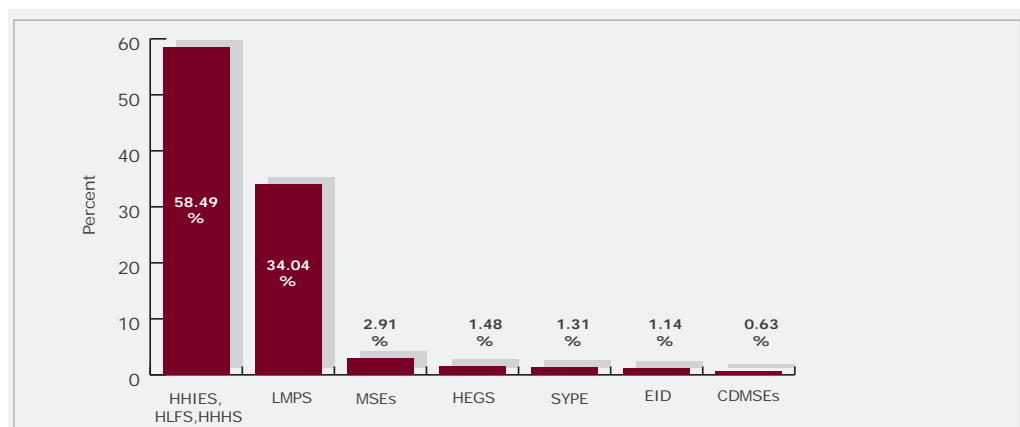
Data User, 22 years, France

the data types provided by OAMDI, as can be seen in Figure (9). Around 59 percent of the accessed data sets were for harmonized household surveys

(HHIES, HLFS and HHHS), while 34 percent were for labor market panel surveys (LMPS).

The remaining seven percent were distributed between other types of surveys, as illustrated in Figure (10).

Figure 10. Accessed Data Sets by Type, 2016
(% of total number of Data Sets)



* HHIES, HLFS, and HHHS: Harmonized Household Surveys. LMPS: Labor Market Panel Surveys. MSEs: Micro and Small Enterprises Surveys. HEGS: Higher Education Graduates Surveys. SYPE: Survey of Young People in Egypt. EID Data: Exports and Imports Data. CDMSEs Data: Constraints Facing the Development of MSEs.

OAMDI Evaluation

ERF distributed a short online survey to evaluate the services provided through the ERF data portal and the quality of the data disseminated from the users' perspective, with the objective of moving forward on more solid ground.

The survey consisted mainly of three sections; one on the use of the ERF data portal, another to evaluate the users' experience and a third concerned with future recommendations.

A sample of data users who recently registered and used the ERF data portal indicates that respondents are aged 21 to 72 years old, 42 percent of whom are females. Around 54 percent of respondents are from the ERF region, 73 percent are affiliated to academic/research institutions and only 29 percent are affiliated to ERF. Around 87 percent have requested and downloaded data sets, 80 percent of whom having used them in their research.

The 20 percent who have not used the data after downloading have indicated that they are either still in the working process or have not yet started since their projects are still at an early stage. Others have mentioned that the main reason was due to a change in the research topic.

The evaluation of the data users who have used the data is summarized in Figure (11). It shows that 91 percent of users perceive the ERF data portal as a user-friendly source of micro data. Eighty six percent of users perceived the registration process as quick and simple. A similar percentage trusts the

security of personal information on the portal.

As for the diversity, quality and abundance of the micro data, more than 90 percent of users perceive the data portal as an accountable source of good quality data that meets the needs of most of their research interests.

Evaluation of the ERF data portal team revealed that 86 percent of users perceive the team as helpful, knowledgeable and responsive to inquiries in a timely fashion.

It is also worth noting that 79 percent of users have employed the ERF micro data in producing working/research papers, journal articles, report sections and book chapters, 52 percent of whom having already published their research output. Another 13 percent have used the data in their Masters or PhD dissertations. The remaining nine percent indicated that they downloaded the data to produce draft papers.

The questionnaire results have also revealed that 46 percent of users learned about the ERF data portal through internet browsing, which shows a fairly good outreach for the online portal four years after its launch. 37 percent learned about the portal

"This is a very good service you are providing. I often access micro data directly from the national statistical agencies but ERF should be commended by working with them to promote uniformity and comparability."

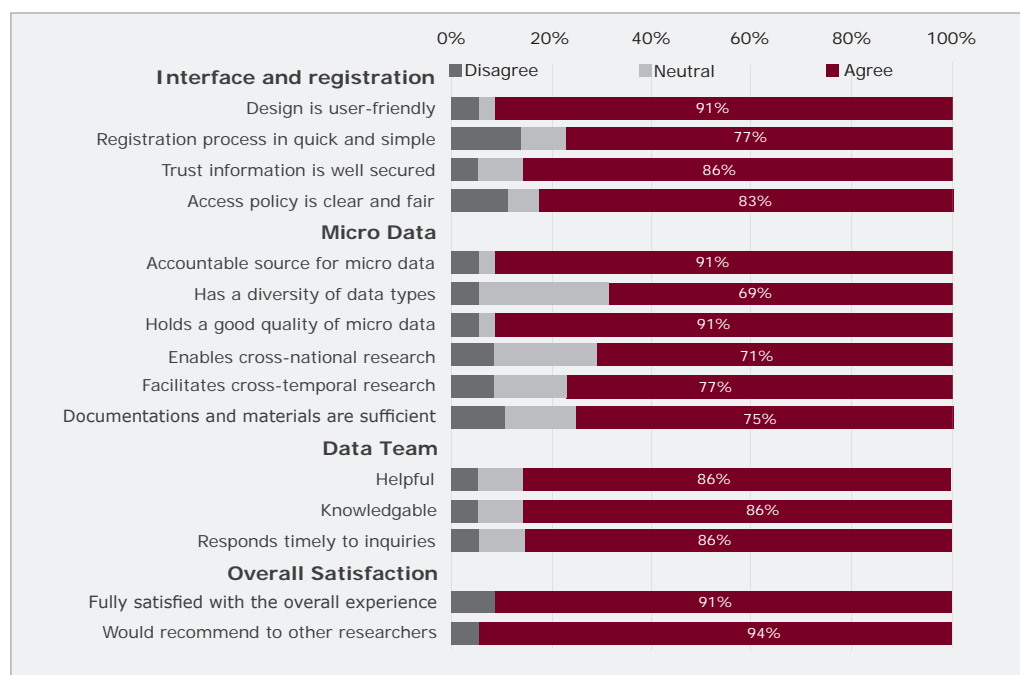
Data User, 60 years, Germany

"The portal of OAMDI is perfectly designed and the answer is very quick. I strongly recommend this portal."

Data user, 30 years, Canada

Research Activities

Figure 11. Main Results of OAMDI Evaluation Survey



from different events, such as trainings, workshops, conferences and seminars. 13 percent were referred to the portal

by their institution, while only four percent were referred by someone outside their institution.

Overall, 91 percent of the users are fully satisfied with their experience with the ERF data portal and 94 per cent would recommend it to other researchers.

Taking the above results into consideration, we are confident that the ERF data portal is a very promising

initiative that is responding genuine demand; hence, it should continue to grow and expand.

Relationships with Statistical Offices

ERF has been persistently working on obtaining the authorization of statistical offices to avail clean and harmonized versions of the acquired data sets publicly available at its data portal.

In addition to the five Arab countries that have contributed to OAMDI and signed LOUs within the past two years since its launch, ERF signed three new LOUs with Iraq, Somalia and Libya in 2016. More negotiations are still ongoing with several other countries that have expressed interest.

"The system you have put out is great. Very responsive. I was quite impressed. Thank you so much!"

Data user, 25 years, UK

"It would be very helpful to further expand the microdata to include additional countries (Algeria and Morocco), ... (or more recent) data sets for Sudan."

Data User, 40 years, USA

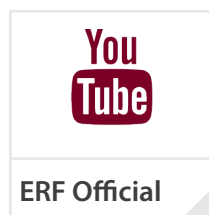
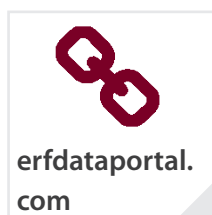
During 2016, ERF also extended collaboration with a new partner, the Population Council in Egypt, through the acquisition and dissemination of two of its collected unique data sets on youth.

Furthermore, ERF also agreed with The Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE) - on a new initiative of the World Bank; listing ERF's data portal on its website as one of the international databases used as a main source of data for ASPIRE. Consequently, ERF will also add ASPIRE as a partner once OAMDI pages are revamped on the ERF website.

Later in 2016, in compliance with a previously signed LOU, ERF shared the TLMPS 2014 data set with the LIS Cross-National Data Centre in Luxembourg, to be made available on the LIS database. In return, 49 ERF affiliates to date have enjoyed free access to all LIS databases, and all other affiliates will continue to enjoy this free access for two more years.

ERF intends to continue its efforts to establish stronger relationships and closer collaboration with statistical offices and other partners to increase data collection and promote free access to micro data.

ing national dialogues. With respect to policy briefs, a policy brief competition was launched, where ERF received a total number of 25 submissions, eight of which were accepted. A training workshop was held for the winners, with a view to enhance their skills in writing policy briefs. In addition, ERF invited 13 authors to write policy briefs and perspectives, drawing on the work carried out by ERF and published in its working paper series.



Policy Dialogue

A policy dialogue component was added to ERF activities in 2014. The objective of this component was to begin closing the gap between research and policy.

The activities in 2016 under this area revolved around producing more policy briefs/ perspectives as well as launch-

Communications and Outreach

In order to disseminate research findings to a wide and diverse audience, ERF relies on multiple channels, including publications, conferences, workshops, policy seminars and a website. In 2016, ERF organized 20 meetings/events (including conferences, workshops, training workshops and policy seminars) and produced 95 working papers, 16 policy briefs, five policy perspectives and two edited volumes. As shown in Table 5 below, two conferences, 11 workshops, and three seminars were held.

Table 5. ERF Events, Locations and Dates, 2016

Event	Location	Date
Training workshop on "Applied Micro-econometrics and Public Policy Evaluation"	Cairo, Egypt	January 4-6
ERF-FEMISE Expert Group Meeting on "Innovation: Towards a Research Agenda to Unlock South Med Potentials"	Cairo, Egypt	January 18
ERF's 22 nd Annual Conference "Towards a New Development Agenda for Arab Countries in Transition"	Cairo, Egypt	March 19-21
Conference on "Oil, Middle East and the Global Economy"	Los Angeles, USA	April 1-2
Enumeration training for the Jordanian Labor Market Panel Surveys (JLMPS)	Amman, Jordan	May 19-21
Workshop on "The Economics of Healthcare in the ERF Region"	Cairo, Egypt	May 22
Workshop on "Life Course Transitions"	Cairo, Egypt	May 26
Workshop on "Employment and Unemployment in Tunisia"	Tunis, Tunisia	June 3
Seminar on "Incentives for Better Quality Higher Education: Egypt, Jordan and Tunisia"	Tunis, Tunisia	June 4
JLMPS: Reviewing Main Questionnaires	Amman, Jordan	July 18-19
ERF Brainstorming Workshop on ERF's Labor Demand Structured Project	Cairo, Egypt	July 24
Training workshop on "Applied Micro-econometrics and Public Policy Evaluation"	Cairo, Egypt	July 25-27
Workshop on "Rural Poverty, Rural Urban Migration and Rural Development in the ERF Region"	Cairo, Egypt	July 28
Training workshop on "Opinion Poll Data Analysis Using Multilevel Models"	Beirut, Lebanon	August 22-23
Workshop on "The Political Economy of Contemporary Arab Societies"	Beirut, Lebanon	August 24-25
Workshop on "Sovereign Wealth Funds: Stabilization, Investment Strategies and Lessons for the Arab Countries"	Washington DC, USA	September 9-10

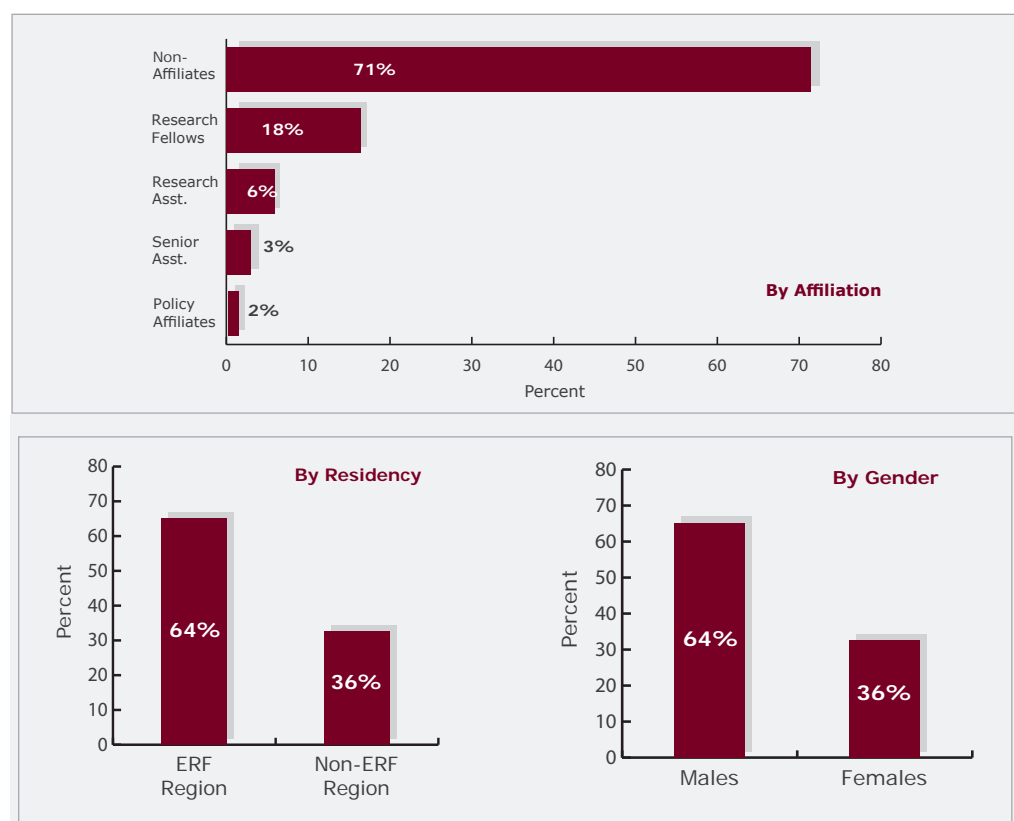
Table 5. Continued

Event	Location	Date
Training workshop on "Writing Effective Policy Briefs"	Cairo, Egypt	September 25-26
Main Questionnaire Training for the JLMPS Field Work	Amman, Jordan	November 25-December 8
Live Debate on "Gratuity and Equity in Higher Education"	Tunis, Tunisia	December 15
Seminar on "The Political Economy of Private Sector in the Middle East"	Marrakech, Morocco	December 21-22

These events attracted around 500 participants from the research and policy communities, out of which 143 attended ERF's annual conference.

Most of the participants were non ERF affiliates (71 percent), residing in the ERF region. Female participation accounted for 36 percent (See Figure 12).

Figure 12. Participation in ERF Events by Affiliation, Residency and Gender
(% of total number of participants)



Communications and Outreach

ANNUAL CONFERENCE

ERF 22nd Annual Conference

March 19-21, Cairo, Egypt

The ERF Annual Conference is a regional platform for economists from in and outside the ERF region to discuss frontier thinking about economic development, learn from one another and interact with international scholars.

The main theme of the conference was “Towards A New Development Agenda for Arab Countries in Transition”. The conference plenaries featured a number of prominent speakers, including: Abdelatif Al-Hamad, Arab Fund for Economic and Social Development; Shanta Devarajan, Chief Economist of the World Bank’s MENA Region; Richard Freeman, Harvard University; Caroline Freund,

Peterson Institute; Nabil Fahmy, former Minister of Foreign Affairs in Egypt; Sara Cliffe, New York University; Ishac Diwan, Paris Sciences et Lettres; Ragui Assaad, University of Minnesota; Mustapha Nabli, former Governor of the Central Bank of Tunisia; Hafez Ghanem, World Bank; and Adeel Malik, Oxford University.

Moreover, six daily parallel sessions were held and saw the presentation of more than 40 papers under the themes of Macroeconomics, Microeconomics, International Economics, Finance, Labor and Human Development and Institutional Economics. Finally, the closing session was devoted to celebrating the six winners of what has become a regional mark of excellence: The Best Paper Award.

Plenary Session 1: Navigating the Transition in the Short Run

The speakers in this plenary session addressed the merits of the choices made and their consequences in comparison



Speakers during ERF 22nd Annual Conference

with other transition experiences, dealing with questions such as: which approach did the transition countries in the region follow, especially with respect to macroeconomic policies? Was the approach expansionary or contractionary? Did they primarily rely on fiscal policy? Was the response adequate or excessive? Moreover, in relation to politics, how did the political landscape constrain policy choices and policymaking? Did economic outcomes impact political developments? How so?

Plenary Session 2: Navigating the Transition in the Medium to Long Run

The speakers dealt with questions, such as: are governments in the region beginning to adopt policies that promote sustainable economic growth and structural transformation, for example by adopting new industrial policies and aggressively dealing with major price distortions (like energy subsidies)? Are they embarking on different social policies that not only

protect the poor but also empower citizens? Are they pursuing redistributive policies that are different, in terms of scope as well as instruments and approaches, from those in the past? Are they building a solid coalition for reform? Finally, are they or are they not capitalizing on opportunities offered globally, curbing crony capitalism, and reforming the state to be less corrupt and more effective?

Plenary Session 3: Development under Fire

In this plenary, key questions were discussed: what can be done under these conditions in the short run? And what can be done to prepare the ground for sustainable development in the post-conflict era? What are the root causes of the conflicts? What is likely to happen in the future? And is the economy part of the problem or is it part of the solution?



Speakers and participants during ERF 22nd Annual Conference

Communications and Outreach



Speakers and participants during ERF 22nd Annual Conference

OTHER Conferences

ERF held a special conference aimed at disseminating new research findings and their implications for policymaking to a wide and diversified audience.

Oil, Middle East and the Global Economy

April 1-2, Los Angeles, USA

In collaboration with the University of Southern California (USC) and the Institute for New Economic Thinking (INET), ERF organized two sessions on "Oil, Middle East and the Global Economy," which took place at USC. As oil prices have dramatically declined, reaching a level below USD 50 per barrel (Brent crude) in early January -a 50 percent drop since their peak in mid-June 2014- a session was organized on "The Impact of the Fall

in Oil Prices." The session brought together experts to review the decline in oil prices within a global perspective, assess its implications for the Arab region and discuss the policy options to cope with this trend.

Another session entitled "GCC Sovereign Wealth Funds" showcased ERF's own work which falls under the research theme of natural resources and economic diversification. The purpose of this session was to review the links between sovereign wealth funds (SWFs), fiscal policies and structural features of their home countries. In particular, the panel addressed the relationship between fiscal policy objectives, fiscal rules and practice, and government saving through an SWF, and the macroeconomic impact of SWFs (with or without explicit fiscal rules) on the domestic economies of their home countries.

WORKSHOPS and Seminars

In 2016, ERF organized a series of workshops to allow researchers to present and discuss their research findings with fellow researchers.

Innovation: Towards a Research Agenda to Unlock South Med Potentials

January 18, Cairo, Egypt

FEMISE and ERF organized an Expert Group Meeting on: "Innovation: Towards a Research Agenda to Unlock South Med Potentials" on January 18 in Cairo, Egypt. The objective of this joint ERF-FEMISE expert group meeting was to better understand the multiple facets of innovation, identify the factors that promote it and highlight the potential and challenges of the South Med countries. The meet-

ing took the form of a large brainstorming session, with the objective of coming up with interesting research questions on the topic of innovation that could be part of the future FEMISE research agenda on how to unlock the South Med potential.

Enumeration Training for the Jordanian Labor Market Panel Surveys (JLMPS)

May 19-21, Amman, Jordan

ERF launched the second round of the JLMPS training in collaboration with the Jordanian Department of Statistics (DoS). The three-day training served as a preparation for the project's enumeration stage for 25 researchers. The purpose of the training was to get started with updating the database of the JLMPS 2010 as a smooth transition for the field-work of the main questionnaire by December 2016.



Speakers and participants during various ERF workshops

Communications and Outreach

The Economics of Healthcare in the ERF Region

May 22, Cairo, Egypt

The objective of this workshop was to provide a platform for discussing the seven draft papers generated in the context of the 16th round of the ERF-GDN Regional Research Competition, under the theme of “Economics of Healthcare in the ERF Region.” The workshop discussed preliminary findings among authors and experts in order to improve the final output. It was also aimed at promoting interaction between researchers with interest in the topic.

life course and the way in which the life course transitions of men and women relate to markets. Combining the ERF labor market panel surveys (LMPSs) for Egypt, Jordan and Tunisia with the rich information about labor market involvement and education experiences can serve as a beneficial data source for research on the economics of the life course in these three countries. The papers covered a variety of topics, including the relationship between life course transitions and the markets for human capital formation, labor, housing, intra-household bargaining and inter-generational ties.

Life Course Transitions

May 26, Cairo, Egypt

This workshop discussed the first drafts of the papers generated under an ERF research project on the economics of the

Employment and Unemployment in Tunisia

June 3, Tunis, Tunisia

This workshop served as a platform for authors to discuss the revised drafts and findings of the edited volume of the Tun-



Speakers and participants during various ERF workshops

sian Labor Market Survey (TLMPS) carried out by ERF in cooperation with the Institut National de Statistiques (INS) and the Applied Social Sciences Forum (ASSF) in 2014. The ten revised chapters allow for a fresh analysis of the Tunisian labor market after the Arab Spring. A variety of topics were covered in the volume, including migration, returns on education and female participation in the labor market, as well as essential topics such as the persistence of high youth unemployment, labor market segmentation and informality.

Incentives for Better Quality Higher Education: Egypt, Jordan and Tunisia

June 4, Tunis, Tunisia

This seminar was held to present research findings from the data collected throughout the “Aligning Incentives for Better Quality Higher Education” project done in collaboration with the Ford Foundation. The study was based on surveys tracking graduates from the fields of business and information technology into the labor market in Egypt, Jordan and Tunisia. The results of the study were interpreted in light of information about the institutional framework governing higher education in different types of higher education institutions.

Jordanian Labor Market Panel Surveys (JLMPS) Reviewing Main Questionnaires

July 18-19, Amman, Jordan

In preparation for the launch of the JLMPS project, Ragui Assaad led a two-day feedback meeting in the Department of Statistics in Jordan, where different

issues related to the project were discussed. The meeting discussed in detail the three questionnaires that comprise the survey, the diverse questions relevant to the Jordanian context, the automated data collection process using tablets and the implementation plans of the project.

ERF Brainstorming Workshop on ERF’s Labor Demand Structured Project

July 24, Cairo, Egypt

This workshop focused on utilizing the large sub-sample of micro data from the Economic Census of 2012/13 made available by the Central Agency for Public Mobilization and Statistics (CAPMAS). The workshop helped identify the potential research questions the project might address, as well as clarify the information contained in the data, along with its possibilities and limitations.

Rural Poverty, Rural Urban Migration and Rural Development in the ERF Region

July 28, Cairo, Egypt

During this workshop, researchers presented and discussed the 11 selected proposals generated under the research project on “Rural Poverty, Rural-Urban Migration and Rural Development in the ERF Region.” It was held with the objective of providing a platform for discussing the first drafts of the papers and their findings among authors and experts in order to receive feedback and improve the final output. The workshop promoted interaction between researchers interested in topic.

Communications and Outreach

The Political Economy of Contemporary Arab Societies

August 24-25, Beirut, Lebanon

ERF organized this workshop in collaboration with The Issam Fares Institute for Public Policy and International Affairs (IFI) of the American University of Beirut. The objective of the workshop was to discuss the draft papers generated under the title of the workshop. Preliminary findings were discussed among authors and experts in political economy and institutional economics in order to improve the final output. Several subthemes were identified, such as the evolving gender values, gender and work, political participation and values and migration. Put within a larger framework, this research falls under a larger program of work carried out by ERF on the political and economic transformation in Arab countries, led by Ishac Diwan.

Sovereign Wealth Funds: Stabilization, Investment Strategies and Lessons for the Arab Countries

September 9-10, Washington DC, USA

This workshop was organized in collaboration with the World Bank, with the objective of providing a platform for discussing the draft papers aimed at contributing to the growing but still nascent literature on sovereign wealth funds (SWFs). Three broad clusters of positive and normative issues facing SWFs were discussed: i) SWF links to fiscal policies and structural features of their home countries, (ii) the portfolio composition of an SWF, and (iii) the political economy

of SWFs. Preliminary findings were discussed among authors and policy experts in order to improve the final outcome.

Jordanian Labor Market Panel Surveys (JLMPS), Main Questionnaires Training

November 25 – December 8, Amman, Jordan

ERF held this two-week training in preparation for the main fieldwork of the JLMPS project. The training was held with the purpose of familiarizing researchers with the main definitions and questions, as well as training them on the newly adopted data collection process using tablets. The training was also used to train new researchers on the fieldwork through a two-day pilot survey.

Gratuity and Equity in Higher Education: Is it a Factor of Promoting Equity and Equality of Opportunity or the Opposite?

December 15, Tunis, Tunisia

ERF collaborated with the Tunisian Economist Association (ASECTU) and organized a live debate on “Gratuity and Equity in Higher Education: Is it a factor of promoting equity and equality of opportunity or the opposite?” The debate acted as a platform to show the relationship between gratuity and equity in higher education. Moderated by Mustapha Nabli, the debate featured Tahar Abdessalem, Sami Aouadi and Mohamed Jaoua on the side of free public education, while Ragui

Assaad and Alain Trannoy represented points of view against free public higher education.

research by constantly creating new communication channels and upgrading existing ones.

The Political Economy of the Private Sector in the Middle East

December 21-22, Marrakech, Morocco

This seminar was held to provide a platform for discussing the findings of research activities generated under ERF's call for proposals on "The Political Economy Determinants of Private Sector Dynamism in the ERF Region." The call for submissions generated multiple papers covering various topics related to cronyism in the banking sector and capital markets, corruption in the job market, firm ownership, rules versus deals and public private partnerships, among others. Discussions in the seminar focused on the perspectives of different stakeholders, such as researchers, policymakers and the private sector. The seminar witnessed a well-informed, diversified audience, including international experts, regional academics and policymakers and the media.

PUBLICATIONS

Publications are an integral part of ERF's communications efforts. Accordingly, ERF has worked hard to expand and streamline its publication channels. This has meant both increasing its output and finding new means to disseminate ERF's

ERF Middle East Development Journal (MEDJ)

The Middle East Development Journal (MEDJ) was established eight years ago with the goal of providing a solid analytical and empirical base for the promotion of sound policy-making to tackle the challenges facing the region. The journal, which publishes two issues annually, has gained widespread recognition, becoming firmly established among academic publications and enjoying a steady growth in the number of subscribers. In 2015, Taylor & Francis and Routledge continued their production of the journal.

Volumes

ERF regularly publishes edited volumes on topics pertinent to the economic development of the region.

This year, the first edition of *Understanding and Avoiding the Oil Curse in the Arab World* volume was published by Cambridge University Press. Edited by Ibrahim Elbadawi and Hoda Selim, the volume provides a variety of analytical perspectives and fresh insight on the question of how resource-dependent Arab countries can best exploit their oil revenues and avoid the oil curse, especially once oil is exhausted.

For over eighty years the Arab region has derived massive wealth from its natural resources, yet the region's economies re-

Communications and Outreach

Table 6. ERF Publications from FY 2007 to FY 2015*

Type of Publication/Year	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Working Papers	23	76	72	78	85	80	80	76	78	95
Forum Newsletter	1	2	2	2	2	2	2	2	2	1
Policy Research Reports	-	2	2	3	0	2	0	0	0	1
Policy Perspectives/Briefs	-	2	-	2	2	3	5	3	9	21
MEDJ	-	-	1	2	2	2	3	2	2	2
Volumes	2	1	2	2	2	2	2	2	2	2

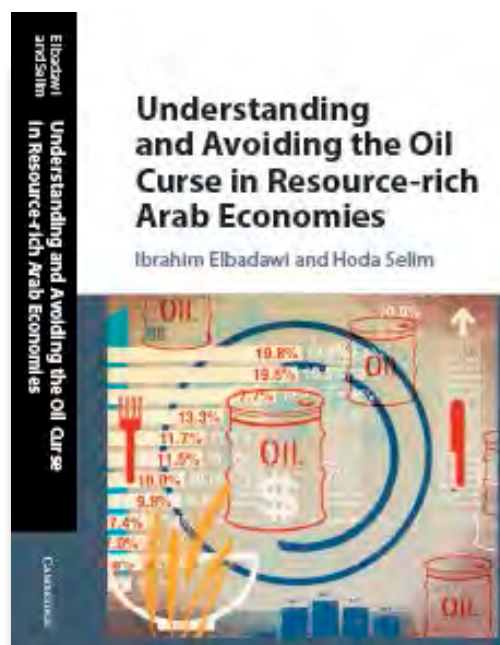
* FY 2010 covers 16 months (September 1, 2009-December 31, 2010).

main little diversified, while the oil market is experiencing major structural shifts with the advent of shale gas. Moreover, the resource itself is eventually exhaustible. Under these conditions economic prosperity cannot be sustainable. The critical question is how can the countries of this region escape the 'oil curse'? In this volume, leading economists argue that the curse is not a predestined outcome but a result of weak institutions and bad governance. A variety of analytical perspectives and examination of various international case studies leads to the conclusion that natural resources can only spur economic development when combined with sound political institutions and effective economic governance. This volume, with its unique focus on the Arab region, will be an important reference for researchers and policy makers alike.

The book focuses specifically on the Arab World and provides a detailed examination of the region's political economy and the nec-

essary context for understanding the oil curse. Authors use a unique combination of thematic issues, lessons from international experience, and country-specific contexts and experiences.

In addition, this year witnessed the publication of the Arabic translation of Thomas Piketty's book: *Capital in the Twenty-First Century*. The book is co-published by Dar El Tanweer and ERF and translated by Wael Gamal and Salma Hussien. Intellectually, Piketty's book makes a serious contribution to our thinking about inequality. Its first, and not insignificant, contribution is about facts. Using tax statistics to measure inequality, Piketty documents the evolution of income and wealth over the past 300 years, particularly in Europe and America. He shows that the period from about 1914 to the 1970s was a historical outlier in which both income inequality and the stock of wealth (relative to annual national income) fell dramatically. Since the 1970s, both wealth and income gaps have been rising back towards their pre-20th-century norms. This trend declares the death of the Kuznet's hypothesis, which predicted that inequality would first worsen at the early stage of development but then improve.



Piketty's second contribution is theoretical. His main thesis is that the free-market system has a natural tendency towards increasing the concentration of wealth, because the rate of return on capital has consistently been higher than the rate of economic growth. Two world wars, the Depression and high taxes pushed down the return on wealth in the 20th century, while rapid productivity and population rises pushed up growth. Without countervailing factors, Piketty argues, higher returns on capital will concentrate wealth — especially when an ageing population means that growth should slow.

Working Papers

This year saw the production of 95 new working papers. These papers were published, disseminated weekly via e-mail and posted online on the ERF website where they can be freely accessed.

Policy Perspectives

ERF Policy Perspectives present a summary of policy-relevant research in a concise manner. Their purpose is to convince the target audience that a current and urgent problem exists and requires the adoption of a certain course of action. They cover a variety of economic issues relevant to the region's development agenda and target a wide audience, including policymakers and development practitioners. (A list of all published Policy Perspectives is available in Annex C).

Policy Briefs

In 2015, ERF launched a new series named Policy Briefs, which seeks to communicate clear, research-based views on policy-relevant topics in a concise manner derived mainly from ERF's research as well as other sources. Policy Briefs strictly present solutions or actionable recommendations to economic debates and policy problems. This year saw the publication of 16 new Policy Briefs. (A list of all published Policy Briefs is available in Annex C)



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Minister of Energy and Mineral Re-
sources, Jordan

Wassim N. Shahin

Lebanese American University

Sahar Tohamy

Egypt Network for Integrated
Development

Annex A. ERF Network and Partners

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(December 2016)
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(Elected March 2016)
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Annexes

Annex B. Research Projects

This annex provides a brief summary of ERF research projects under the 5 main themes of its work: Equity and Inequality, Natural Resources and Economic Diversification, the Political Economy of Transformation, Labor and Human Resource Development, and Gender and Women's Economic Empowerment.

Equity and Inequality

Under this theme, ERF completed 19 projects, while nine are still ongoing.

How did Trade Policy Affect Inequality in the MENA Region?

Akiko Suwa-Eisenmann and Chahir Zaki

This completed project analyzed the impact of trade liberalization on household income, employment and consumption in three MENA countries: Egypt, Jordan and Tunisia. The project estimated the pass-through of tariffs to local prices, taking into account rising food prices during the second half of the 2000s. Based on pass-through estimation, the paper also assessed the impact of trade reform on household incomes at each point of the income distribution process, going in depth into each country's factor endowments, the consumption pattern of rich and poor households, the extent of tariff reduction and other non tariff barriers, as well as acknowledging the impact of simultaneous policy changes.

Is Internal Migration a Way to Cope with Climate Change? Evidence from Egypt

Adel Ben Youssef, Nguyen Viet Cuong and Mohamed Aroui

This completed study aimed to examine the push and pull effects of climate change on internal migration between governorates in Egypt using a gravity model. The study answered questions such as: to what extent does climate change push and pull overall internal migration between governorates in Egypt? What is the push-pull effect of climate change on the migration of skilled and unskilled labor? Is the effect of temperature variation on household health and sanitation larger or smaller than the effect of precipitation variation? Does the effect of climate change on migration differ across governorates with different characteristics?

Rural-to-Urban Migration and Development in Turkey

Aysegul Kayaoglu

This completed research project aimed to analyze the role of

rural-to-urban migration on rural development in Turkey by answering two questions: what is the relationship between rural-to-urban migration, human capital investment and growth in Turkey? And how do remittances affect rural development in Turkey? This is the first ever economic study to integrate macro data with micro data to understand the role of rural-to-urban migration on rural development in Turkey. The originality of the micro data makes this research particularly significant.

The Economic Response of Rural Areas to Local Supply Shock: Evidence from Palestine

Belal Fallah

Right after the break out of the second uprising in September 2000, the local labor market in the West Bank of Palestine experienced a substantial labor supply shock, mostly affecting rural commuters, who represented about a third of the rural work force. This completed research explored how local rural areas responded to the large influx of past commuters, focusing on the impact on wages, rural employment and unemployment for past rural commuters. Policy implications should inform immigration policies and their effects on source countries, as well as addressing consequences associated with labor export policies and the stakes of forced return migration.

The Impact of Recent Investments on Transportation Infrastructure on Rural Development in Turkey

Belgi Turan

In this completed paper, the author attempted to measure the causal impact of infrastructure investments on rural development by exploiting the time variation in the diffusion of paved roads, highways, railroads and airports. The investment on highway, railway and airport construction has mainly started in areas close to the main metropolitan areas, gradually extending to the peripheries, thus enabling the implementation of a quasi-experimental design. This should help assess the potential spillover effects across neighboring areas, which would arise after one gains better access to larger markets.

Migration, Gender, Decision-making and the Environment in Saiss Region (Morocco)

Dina Najjar

In light of climate-induced migration, gender differences and the local policy context, this completed research conducted on the ground follow up to understand the experiences of male and female laborers as the migration continues in three rural

areas in the Saiss region in Morocco. The author focused on understanding and linking migration experiences with gendered motives, strategies and decision-making power in control over labor, income and assets. They also contextualized these experiences within broader factors related to policy and climate change. The produced research advances knowledge on rural migration and its gendered and biophysical dimensions in Saiss, Morocco.

Maghreb Rural-Urban Migration: the Movement to Morocco's Towns

Jamal Bouoiyour

Currently, there is remarkably little understanding or evidence on the nature and determinants of migration from rural areas in Morocco. In this completed research, the author used data from the last Moroccan Living Standard Measurement Survey (LSMS), which was implemented by the High Commission for Planning in 2006-2007, to assess whether there are economic incentives to migrate, as well as the selectivity of rural-urban migration with respect to education and other particular characteristics.

Rural-Urban Migration and Income Disparity in Tunisia: A Comparative Analysis Between Rural Migrants and Residents

Hatem Jemmali

Since Tunisia's independence, coastal areas have been invaded by enormous flows of migrants from rural areas, while other inland regions, particularly in the North and Central West, remain the top sending regions. Given the recent statistics showing the significant internal mobility of the Tunisian population and the large heterogeneity in migration patterns across different regions, this completed study posed interesting questions: do rural migrants settled in small and large cities in Tunisia have lower average well-being compared to rural and urban residents? Are these differences in well-being, if any, different across various regions? And finally, what could explain such differences between the different aforementioned groups? Adopting a post-hoc approach as a new perspective of rural-urban migration analysis, This study aimed to decipher such disparities in welfare between rural migrants and different residents in Tunisia.

Did the Cost of Living Rise Faster for the Rural Poor? Evidence from Egypt

Shireen AlAzzawi

This completed paper examined whether the rural poor in Egypt faced disproportionately large increases in their cost of living over the period 2000-2014 compared to other segments of society. The author tackled three main questions concerning changes to the cost of living and how they affected the rural poor compared to other groups in the economy: was there a significant difference between the Laspeyre's type CPI produced

by CAPMAS and the True Cost-of-Living Index (TCLI) that measures changes in the cost of attaining a given level of utility over time? Did households in rural vs urban regions, at different income and expenditure deciles and different types of households (e.g. in terms of composition, occupation, employment status... etc.) experience varying rates of changes to the cost of living over this period? Did one group consistently fare worse than the others over the entire period studied? This study provides clear policy implications.

Agricultural Trade Liberalization with the EU: Spatial Impacts on Employment and Poverty in Tunisia

Chokri Thabet

This completed research aimed at providing a better understanding of how the agricultural sector can contribute to the reduction of regional inequalities in terms of poverty and unemployment. It particularly intended to contribute to the current debate on what and how agriculture policies (trade, subsidies, price controls...etc.) can promote regional development in Tunisia. The rationale behind such broad research questions lies in the realization that trade liberalization alone, which has been the linchpin of Euro-Mediterranean cooperation for decades, will not be sufficient to promote sustainable development and reduce regional inequalities, which are at the heart of the Tunisian government's current preoccupations.

Impact Evaluation of the Moroccan National Human Development Initiative (INDH) on Rural Poverty in Morocco, a Household Panel Survey Study

Mohamed Benkassmi

This completed study undertook the rigorous impact evaluations of the INDH on household income, expenditures and assets, while examining relevant indicators for health, infant mortality, nutrition and education.

The Impact of Fiscal Policy on Inequality and Poverty in the Arab Countries, Iran and Turkey: Applying the Commitment to Equity (CEQ) Framework to Egypt

Rana Hendy and Nizar Jouini

The main objective of this ongoing study is to analyze the impact of taxation and public spending (funded with local resources or ODA) on inequality and poverty, the incidence of direct and indirect taxes and benefits, and the equity of access to services. The study focuses in particular on education, health and urban infrastructure -if data permits- in Egypt. The objective can be accomplished by applying a standardized method of tax and benefit incidence analysis and a comprehensive diagnostic questionnaire to assess the equity and effectiveness of revenue collection and public spending patterns in Egypt.

Annex B. Research Projects

Regional Inequalities in Child Malnutrition in Egypt, Jordan and Yemen: a Blinder-Oaxaca Decomposition Analysis

Mesbah Sharaf

This ongoing paper investigates the underlying factors that account for the regional disparities in child malnutrition in Egypt, Jordan and Yemen. The authors use data on a nationally representative sample from the most recent waves of the Demographic and Health Survey. A Blinder-Oaxaca decomposition analysis is conducted to decompose the rural-urban differences in child nutrition outcomes into two components: one that is explained by regional differences in the level of the determinants (co-variate effects), and another explained by differences in the effect of the determinants on the child nutritional status (coefficient effects).

Socioeconomic Inequalities in Infant Mortality in Egypt: Analyzing Trends Between 1995 and 2014

Mesbah Sharaf

This ongoing paper examines the trends in the socio-economic inequalities of infant mortality rates in Egypt during the period 1995-2014, using repeated cross-sectional data from the National Demographic and Health Survey. A multivariate logistic regression model, concentration curves and concentration indices are used to examine the demographic and socio-economic correlates of infant mortality, and how the degree of socio-economic disparities in child mortality rates has evolved over time.

Asset inequality in MENA: The Missing Dimension?

Shireen AlAzzawi

The purpose of this ongoing research project is to examine economic inequality in several MENA countries using measures of household wealth rather than the commonly used measures of income or expenditure. It also uses high-quality panel surveys harmonized over time and partially harmonized across countries. This project ultimately aims to explore how inequality in dimensions other than income and expenditure has evolved over time in the region.

Composition and Distribution of Household Asset, Labor Market Outcomes and Women's Empowerment in MENA

Shireen AlAzzawi

Inequality in assets across households may lead to inequality in individuals' early-life and lifetime achievements, and has been found to affect investment in physical and human capital in developing economies with imperfect markets and imperfect enforcement of contracts. Evaluation of the effect of household assets on individuals' educational and labor-market outcomes over time is thus warranted. Assets and wealth might also be related to the role of women in society and their overall empow-

erment. It has been argued, for example, that oil wealth is an important factor of low female labor force participation and low gender equality in the region. Through this ongoing research paper, the author investigates whether such macro conjectures about the impact of the so-called "resource curse" can also be extended to other types of overall wealth, and whether they can be backed by evidence at the micro level.

Does Household Asset Inequality Cause Migration? Evidence from Egypt

Mohamed Arouri

Egypt has achieved high economic growth rate during the past years, but it has not been very successful in poverty reduction. The poverty rate in Egypt is 25.2 percent, and 75 percent of the poor are living in rural areas. Moreover, there is high inequality between regions. Migration is an important livelihood strategy for households to increase income and reduce poverty, especially in developing countries. This ongoing paper aims to investigate whether inequality and poverty are push or pull factors of internal migration in Egypt. The authors study the effect of level and inequality of household assets on migration across different regions in Egypt. The findings are expected to be useful for policy implications on migration and household asset inequality in Egypt.

Linking Empowerment and Agricultural Production to Women's Access to Land in Egypt

Dina Najjar

Some research conducted in the past three decades shows that land access empowers women in a number of areas. However, studies, mostly in sub-Saharan Africa, confirm that women who have land access are less productive than men with land access. Relatively little is known about the relations between women, land, productivity and empowerment in the Middle East. In the context of these knowledge gaps, this ongoing paper examines the extent of empowerment for women in Egypt (particularly Noubariya and Kafr Shiekh) who manage land as renters or owners, relative to the extent of empowerment of wives who help their husbands with farming.

Welfare, Inequality and Political Cleavage: Evidence from Iran

Atiyeh Vahidmanesh

This ongoing research project aims to measure household asset inequality and assess whether it affects the voting behavior of citizens. This exercise, although never been done for Iran, is important due to growing concerns about increasing levels of economic inequality, which have brought the unequal distribu-

tion of wealth to the attention of Iranian policy makers. The author aims to address whether the change in household asset distribution affected political voting preferences over the last decade in Iran by using an original voting dataset and General Census of Population and Housing (Census) data, as well as Household Expenditure and Income Survey (HEIS) data. Using the voting data of the presidential elections in 2005, 2009 and 2013 at the district level can help the author measure changes in the political behavior of Iranians, with a focus on the change in asset distribution of households in each district.

Household Asset Inequality in Turkey: How Informative is the Survey of Income and Living Condition?

Cem Baslevant

The main purpose of this ongoing project is to carry out descriptive and econometric analyses to determine the extent of asset inequality in Turkey and how it relates to the labor market participation decisions of individuals. The available income survey data helps the author carry out this research by identifying the amounts of various types of income received by households. Since no information on household wealth is available through a nationally representative survey, analyses of wealth inequality in Turkey will be based on the constructed amounts of financial assets, among other types. The main difference between this methodology and the one employed in the 2015 Global Wealth Report – in which the Gini coefficient estimate of wealth inequality for Turkey is 0.821 – is that the author will be constructing the wealth figures from the income figures at the household level rather than using the overall Gini coefficient of income inequality for the country. The project's results will reveal whether wealth inequality figures derived from this methodology are similar to those estimated in the Global Wealth Report.

Natural Resources and Economic Diversification

Under this theme, ERF completed three projects, with nine still ongoing and five new ones initiated.

Implications of the “Fracking Revolution”

Lutz Kilian and Kamiar Mohaddas

ERF has commissioned two papers to address the implications of the U.S. fracking revolution, which employs new techniques of horizontal drilling and hydraulic fracturing. It has completed around 20,000 new wells since 2010; more than ten times Saudi Arabia's tally. The first paper addressed the impact of fracking on the global energy market, including the equilibrium price of oil and the economic and geo-political aspects, especially from the perspective of the Arab oil countries, while the second assessed the implications of the fracking revolution on the Arab oil economies for both importers and exporters, distinguishing between the GCC and the populous group.

Dealing with Multinational Oil Companies: Issues, Experiences and Lessons for the Arab Oil Countries

Jenik Radon

The role of contractual arrangements between oil State-owned Enterprises (SOEs) and IOCs has become vital. Arab oil SOEs need to maintain their role as global players in the sector and continue to generate revenues for home governments. This completed paper uses Oman and Algeria to explore Arab oil SOEs and contracts in the Arab world, in the context of this changing environment. It critically assesses contracts and host government political processes and their respective roles in enabling SOEs to remain relevant and competitive.

Capital Market Financing by Firms in the Arab World

Sergio Schmukler

This completed research project examined which and how many firms from the Arab World obtain capital market financing in domestic and international capital markets. It also studied whether there are differences in equity and bond financing between domestic and international markets. The paper used a large international data set on firm-level domestic and international issuances of equities and bonds during 1991-2011, matched with different attributes for 45,527 listed firms from 51 countries during 2003-2011.

Optimal Simple Fiscal Rules for Commodity Exporters

Steven Pennings and Arthur Mendes

This paper evaluates the welfare consequences of optimal and real-world simple fiscal rules in a model of a small commodity-exporting country with a share of hand-to-mouth (HtM) households, where fiscal policy takes the form of transfers to households. Unlike most of the recent literature, balanced budget rules for commodity revenues are close to optimal, largely because commodity prices are highly persistent. In contrast, the optimal response to non-resource GDP shocks is counter-cyclical, as those shocks are much less persistent. So long as the government values the welfare of both types of households, the optimal rule is almost identical for transfers to HtM and Ricardian households. The government does not have the ability to perfectly smooth HtM consumption without adversely affecting Ricardian households.

Oil Production, Entrepreneurship and the Allocation of Talent

Tiago Cavalcanti and Kamiar Mohaddas

This ongoing paper investigates the effects of oil production on the real economy and the allocation of talent in oil-rich countries. While there is a growing literature on resource misallocation, it does not generally focus on oil-rich countries. The

Annex B. Research Projects

authors construct a general equilibrium model with an endogenous occupational choice to understand the link between oil production and resource misallocation. Based on the theoretical model, a structural estimation allows for the defining of the important channels through which oil production affects firms and workers, so as to conduct counterfactual exercises, such as the effects of a low oil price environment and the consequences of a smaller public sector.

Sovereign Wealth Funds and Macroeconomic Stabilization in the Home Economy

Ibrahim Elbadawi, Raimundo Soto and Hoda Youssef

This paper assesses the role of Sovereign Wealth Funds (SWFs) as an instrument for achieving macro-fiscal stabilization, most notably in resource-dependent economies. The authors ask three fundamental questions regarding the role of SWFs in stabilizing fiscal expenditure, enhancing fiscal surplus and limiting fiscal balance instability, and influencing the choice of fixed or highly managed exchange rate regimes by many resource-dependent economies, such as the GCC.

SWFs and Home and Cross-border Investments

Ibrahim Elbadawi, Hoda Selim, Raimundo Soto and Chahir Zaki

The SWF surpassed USD 5.5 trillion in assets in 2014, growing nine-fold since 2002. Traditionally, SWFs save extra-budgetary surpluses (from resource revenues, foreign exchange reserves or pension contributions) to smooth public revenue volatility and spending, as well as to ensure intergenerational equity. Typically, SWFs have the choice to pursue investments either domestically (home) or abroad. The objective of this paper is to investigate the determinants of SWF capital allocation decisions between the home country and abroad.

Optimal Portfolio Composition for Sovereign Wealth Funds

Khouzeima Moutanabbir and Daa Nouredin

This paper studies the problem of optimal asset allocation for an SWF for an oil exporter subject to a stochastic stream of oil income. The authors use the CRRA utility to assume the fund's objective is to maximize the discounted utility of intertemporal consumption, subject to the budget constraint which incorporates the fund's value (i.e. its accumulated total assets), the stochastic stream of oil income and the stochastic rate of return on the fund's portfolio. The authors use a log-linear approximation for the model's optimal consumption path and the optimal allocation to the risky asset. Using historical data, they estimate the model and use it to study the optimal allocation for varying levels of risk aversion and different values of the discounting parameter. In addition, they analyze the optimal historical al-

location and utilize the model to derive medium- and long-term projections. The paper's results are of importance to existing SWFs to enhance their management of the continuous tradeoff between above ground and underground wealth.

On the Determinants of Sovereign Wealth Funds' Investments: Are Arab SWFs Different?

Mohamed Arouri, Sabri Boubaker and Wafik Grais

This ongoing study investigates the determinants of Arab SWFs' investment decisions using a sample of 223 firms targeted by SWFs over the 2000–2014 period (among which 73 are targeted by SWFs owned by Arab countries). The authors find that Arab SWFs prefer larger firms operating in strategic industries based in countries with higher levels of economic and capital market development. Moreover, Arab SWFs do not seem to have a tendency to invest in firms with higher liquidity, profitability, growth or dividend payout. Furthermore, investor protection in the host country does not seem to bear on the probability of being acquired by an Arab SWF. Taken together, results based on the sample suggest that Arab SWFs' acquisitions may not be solely motivated by financial gains or purely commercial considerations.

Political Economy of Sovereign Wealth Funds in the Oil Exporting Countries of the Arab Region and Especially the Gulf

Sara Bazoobandi and Jeffrey B. Nugent

This paper focuses on the political economy of the origins of several key SWFs, calling attention to both similarities and differences across countries. It also turns to common characteristics of the Gulf and other Arab SWFs, such as: their lack of transparency; dubious objectives and institutional quality; their reactions to threatened sanctions from the West; the creation of the International Working Group on SWFs; the General Agreement on Principles and Procedures (GAPP); and the creation of the SWF Institute and the International Forum for SWFs. Much of this happened in the aftermath of the Global Financial Crisis of 2008–9, and as a result of reactions to investment failures and changing leaders. In addition, the paper concentrates on the Social Contract and its relation to State Building, as well as challenges to the sustainability of the Social Contract. Moreover, it deals in greater detail with these challenges to the social contract and the role of SWFs in that respect, first to the regional rivalries and conflicts arising especially in the Arab uprising, and then to the present era of low oil prices, and the reactions to these prices by SWFs and Gulf governments.

Oil Funds – Risks and Opportunities

Gawdat Bahgat and Abderrahim Chibi

This paper argues that sustained low oil prices and revenues mean that the traditional model of large public spending is no

longer a valid option. There is no alternative to multifaceted structural reforms. Faced with large oil revenue losses, most oil and gas exporters have started using accumulated financial buffers to cushion some of the impact on growth. These financial assets, managed by oil funds and other investment vehicles, will not last forever; eventually, bold economic and financial initiatives need to be introduced and implemented. Some of the oil producers, such as the GCC and Algeria, have introduced national plans to address and overcome these emerging challenges. Given the strong connection between oil revenues and SWFs, the authors analyze the main forces behind the collapse of oil prices. This will then be followed by close examination of SWFs in the GCC and Algeria. The final section will summarize the main findings and highlight the steps these oil and gas exporters need to take and the role of SWFs in addressing domestic, regional and international challenges.

How Oil has Impacted Political Institutions in the Middle East Beyond Revenues: A Historical and Comparative Approach

Sami Atallah

This ongoing research uses a historical perspective to examine how oil affects political regimes in the Middle East across the various phases of the value chain, including the securing of oil fields, bargaining over rents, transporting oil to markets and managing revenues. It posits, as a starting point, that oil is a geopolitical commodity that must be secured by world powers to ensure military superiority and economic prosperity.

Oil Rents and Political Violence

Ibrahim Elbadawi, Chahir Zaki and Hoda Selim

This initiated paper aims to investigate the role of the hydrocarbon resource in promoting conflicts, especially in ethnically polarized societies. More specifically, it asks whether there is a threshold effect, beyond which oil rent actually mitigates rather than promotes conflicts. The threshold argument hinges on the view that high enough rents (in per capita terms) create incentives for incumbent authoritarian regimes to spend on public goods and social welfare in order to preempt an incipient revolt; hence, at least neutralizing the economic 'grievance' cause of conflicts. This question is of high relevance to the Arab world, because unlike their counterparts in populous and relatively less endowed Arab oil countries, incumbent authoritarian regimes in the GCC have in fact used their unusually high rents to invest in public goods and social welfare. Furthermore, the paper seeks to investigate the sensitivity level of the estimated threshold to social characteristics and institutional qualities.

A Theory of Popular Uprisings and Violence: The Role of Resource Rents, Minority Rule and Social Polarization

Ibrahim Elbadawi and Omer Ali

One of the key findings of the theoretical research is that an ethnic minority autocrat in control of low or moderate resource rents is likely to unleash major violence in response to a popular peaceful uprisings; hence turning a mass movement for democracy into a civil war. The predictions of this model seems to perfectly fit the ongoing tragedies in Libya, Yemen, and especially, Syria. This paper plans to extend the game-theoretic analysis in Ali and Elbadawi (2012) who show that resource rents were a determinant of the strategy of incumbent authoritarian elites facing a potential revolt. They show that, beyond a certain threshold of resource-rent per capita, the preferred strategy for preempting a regime change would largely depend on making generous transfers to the public in the form of investment in public goods, expanding public sector employment and social transfers. Instead, in societies with moderately endowed rents per capita incumbent elites will likely rely on political repression and violence as the dominant strategy in response to popular uprising. The planned work would be extended to account for social cleavages and ethnic composition, to understand post-transition violence in the Arab world.

Post-conflict reconstruction in the aftermath of destructive civil wars: a Growth Strategy for Syria

Ibrahim Elbadawi

The aim of this research is two-fold. Firstly, it build on existing data on the economic impact of the war to estimate some key parameters for simulating the likely path of post-conflict growth in Syria, based upon the rebuilding of physical capital without repatriation of the human capital embodied in the massive number of Syrian refugee. Secondly, it applies insights from the endogenous growth literature to inform the design of post-conflict reconstruction for Syria accounting for the peculiar characteristics of the Syrian conflict

The Lack of Productive Employment in the Middle East and North Africa

Howard Pack and Shanta Devarajan

This initiated paper proposes several hypotheses, one of which is the role of natural resources, especially oil, in preventing growth of the tradable sector in MENA (the Dutch disease) and in generating rents -in both oil exporting and importing countries- that enabled the public sector to expand, creating low-productivity jobs, often at the expense of a dynamic private sector with high-productivity jobs. In contrast, most Asian economies exposed themselves to the global economy, registering rapid employment and income growth as well as advances in technology transfer. The second hypothesis is the behavior of political elites, who in the MENA region consolidated power and rents to a small group, rather than promoting broad-based growth as in Asia. The latter reinforced the outward-looking orientation of Asian economies. A third hypothesis is that ex-

Annex B. Research Projects

ternal actors played very different roles in the two regions and this affected outcomes; in the MENA region, colonial and other Western powers drew some of the national boundaries and intervened militarily and politically in the countries, while in Asia, the relationship with the West was primarily focused on trade and investment.

The Macroeconomics and the Political Economy of Exchange Rate Regimes Under Secular Commodity Price Shocks and Lessons for the Oil-dependent MENA Countries

Klaus Schmidt Hebbel

Though it has time and time again defied expectations, the majority of the scholarship community seems to believe that relatively low oil prices (less than \$60 pb) are here to stay for the long haul. A major part of the reasons behind the long-term oil price slow-down is attributed to the advent of the shale oil and gas, the anticipated shift of the Chinese economic growth agenda toward inward non-tradable domestic economic activities, and the possible advent of an episode of secular stagnation of major industrial economies. MENA oil exporters and importers alike have already started to experience the impact of this emerging oil market situation, but their initial policy responses leave a lot to be desired. Accommodating the oil price decline of the massive scale experienced since 2014 is not an easy task, even for well-managed economies.

In this context, important lessons can be learned by contrasting the experiences of the MENA region to that of other developing regions, including Latin America being a major commodity and mineral-dependent region.

The Political Economy of Transformation in the Arab Region

Under this theme, ERF completed 13 projects, with one still ongoing and 13 new ones initiated.

State Capture: Evidence from Tunisia

Hassan Aroui, Leila Baghdadadi and Bob Rijkers

The objective of this completed research was to quantitatively assess the relative importance of various salient mechanisms by which autocrats can reap rents. The research examined three salient potential channels through which Former President Ben Ali might have enriched his family, notably privatization, international trade and investment regulation.

Is There a MENA Variety of Capitalism?

Steffen Hertog

This completed paper argued that capitalism in low- to mid-in-

come Arab countries is organized in a distinct and recognizable pattern. The key stylized facts are: a stretched, over-committed and interventionist state; deep insider-outsider divides in private sectors and labor markets resulting from lopsided state intervention; and low levels of cooperation and trust between state, business and workers. These features produce an equilibrium of low skills and low productivity that hampers private-driven growth in the region. Some fundamental parts of this story apply to underdeveloped economies in general, notably low government capacity and a segmentation of business and labor into formal and informal markets. Others, however, are regionally specific, including the relative importance and historical ambition of the state in the economy and, closely related, the relative size of the insider coalitions created through government employment and subsidies. Unusually rigid insider-outsider divisions are cemented by a particularly pronounced weakness of universal social security and safety mechanisms. As a result of uneven government intervention and market segmentation, trust and cooperation between state, business and labor are even lower than elsewhere, both on the individual and organizational levels. Arab cronyism needs to be understood as a key feature of this larger complex of deep state intervention and rigid insider-outsider boundaries. The paper helps explain why cronyism has been so hard to eradicate, but also points to potential structural reforms that could contribute to reducing its incidence.

Moroccan Cronyism: Facts, Mechanisms and Impact

Saadi Med Said

The purpose of this completed paper was to shed some light on Moroccan cronyism by studying its manifestation and impact on the manufacturing sector. More specifically, it attempted to find out whether the lopsided and cronyistic business-government relations have a positive or negative influence on competition and economic growth. The paper showed that political connectedness has always been part and parcel of a large patronage network that has helped the political power (the "makhzen"), to strengthen its control on Moroccan society and prevent any countervailing power from taking root, especially in the economic sphere.

Private Banking and Crony Capitalism in Egypt

Ishac Diwan and Marc Schiffbauer

In Egypt, the bulk of bank loans during 2003-2010 went to politically connected firms. At the same time, the banking sector was liberalized and increasingly operated around competitive and profit-maximizing principles. A key question that this completed paper tried to answer is why private banks may lend in preferential ways to politically connected firms (PCFs) in such an environment. Using a rich corporate dataset, the authors found that politically connected firms did not have higher profitability compared to their non-politically connected counterparts. This

suggested that PCFs were perceived to have lower risk, which, as the evidence showed, was indeed the case; lower risk reflected higher access to bailout guarantees (implicit or explicit), similar to earlier periods, and/or higher perceived growth opportunities.

I've Got the Power: Mapping Connections Between Lebanon's Banking Sector and the Ruling Class

Jad Chaaban

This completed paper explored the extent to which local commercial banks in Lebanon are linked to the country's political class, and how this impacts their efficiency and sovereign risk exposure. By compiling detailed ownership and political affiliation data on the major 20 commercial banks in 2014, the paper showed that as many as 18 out of the 20 banks have major shareholders linked to political elites, and that 43 percent of assets in the sector could be attributed to political control. "Crony capital" within the banking sector is also shown to impact the quality of bank loans and their exposure to public debt.

Cronyism and Job Creation in Lebanon

Ishac Diwan and Jamal Haidar

Using firm-level census data, the authors of this completed paper determined how politically connected firms (PCFs) reduce job creation in Lebanon. After observing that large firms account for the bulk of net job creation, PCFs were found to be larger and created more jobs, but were less productive than non-PCFs in their sectors. On a net basis, at the sector-level, each additional PCF reduces jobs created by 7.2 percent and jobs created by non-PCFs by 11.3 percent. These findings support the notion that politically-connected firms are used for clientelistic purposes in Lebanon, exchanging privileges for jobs that benefit their patrons' supporters.

Mapping Firm Ownership Structure in the Islamic Republic: Parastatal and Private Sectors in Relational Perspective

Kevan Harris

In 2013, Iran's Tehran Stock Exchange (TSE) listed 314 companies with a total market capitalization of over 60 percent of GDP, a significant increase from previous years. This completed study utilized the new shareholders' data for 2013-14 to measure ownership concentration, institutional ownership and relative shares of private vs. semi-public capital by economic sector. In addition, the study attempted to map a more realistic political economy of firm ownership by coding particular institutional investors with their associated sociopolitical position in contemporary Iran. This would enable better assessment and analysis of the broad and growing swath of Iran's economy in comparison to other MENA countries.

Public Private Partnerships in Egypt: Rules versus Deals *Sahar Tohamy*

This completed paper examined the role played by the administrative court review in Egypt in supporting the integrity of public-private business relations. The paper used court rulings related to Government Tenders and the Bids Law during administrative contract implementation to assess whether government authorities are more likely to receive a favorable ruling, whether award to claim ratios are higher in government-initiated cases, and whether average judicial dispute settlement time differs between contractor versus administrative authority claims. The author uses rulings data on 470 cases from EastLaws Network to construct variables for dispute characteristics and outcomes.

Anatolian Tigers and the Emergence of the Devout Bourgeoisie in Turkey

Izak Atiyas, Ozan Bakış and Esra Ceviker Gurakar

The new growth centers of Anatolia, referring to Anatolian provinces that apparently have increased their share in overall economic activity as well as exports of manufactured goods, have witnessed the emergence of a "devout bourgeoisie" amidst the Turkish economy. This ongoing project examines the emergence of the Anatolian Tigers through both quantitative and qualitative means; focusing on factors of time, contribution, size, productivity and concentration. This phenomenon is an important dimension of social dynamics that eventually carried the Justice and Development Party to political power.

The Network of Interlocking Directorates in Morocco: Controlling Banks and Insurances and Capturing Pension Funds

Oubenal Mohamed

In this completed paper, the author studies crony capitalism through the lens of Moroccan listed companies and the role of the financial sector. They begin by highlighting the role of banks in the history of Moroccan capitalism from the setting up of the French protectorate over Morocco, to the dominance of some major family groups. Afterwards, they describe the concentration and the high profitability of the banking sector among listed companies. Using a network analysis of board members of the Moroccan listed companies, they confirm the centrality of Finance compared to other sectors. By measuring the relational proximity, the author demonstrates that each cluster of the four main holding families has at least one financial company. Finally, it is argued that crony interlockers -who are members of royal foundations and represent either an institutional investor or a holding family that owns a bank and/or an insurance company- are the most central actors in the network of listed companies.

Annex B. Research Projects

The Politics of Partial Liberalization: Cronyism and Non-Tariff Protection in Mubarak's Egypt

Adeel Malik and Ferdinand Eibl

This completed paper provided one of the first systematic empirical assessments of the impact of political connections on trade protection. Based on a unique compilation of sector-level data on non-tariff measures (NTMs) and politically connected businessmen in Egypt's Mubarak-era, the authors explored the within-sector variation in NTMs over time, showing that sectors populated by politically connected businessmen witnessed systematically higher incidence and density of non-tariff protection. Results suggest that crony presence is a strong predictor of the subsequent introduction of NTMs and also shapes the density of NTMs, as measured by the share of products subject to NTMs. The results are derived from robust empirical methods that simultaneously address temporal dependence, fixed effects and endogeneity concerns. To establish causality, the authors take advantage of the across the board cut in tariffs in the wake of the EU-Egypt free trade agreement in 2004-05 to show that sectors with crony activity were compensated significantly more by new NTMs compared to non-crony sectors.

Debunking Myths: Economic Values in the Arab World through the Prism of Opinion Polls

Ishac Diwan and Zafiriz Tzannatos

Using World Value Survey opinion poll data, the authors of this completed paper empirically investigate the economic values and norms held by individuals in the Arab world, in comparison to those in the rest of the world. Findings showed, contrary to some common beliefs, that there are many values that predispose citizens of Arab countries to be part of a market economy, including a high level of work ethics, comfort with competition and the work of markets, as well as a high level of economic motivation. Moreover, it is unlikely that the fear of income redistribution has taxed investment, as opinions among Arabs tend to be against redistribution compared to similar individuals in the rest of the world. However, the authors also find a few values that are inimical to the working of a market-led economy; in particular, low preference for thrift, low levels of acceptance of women's work outside the home, and low trust in state institutions -combined with a perception of high levels of corruption both in government and business. By examining the extent to which these characteristics intersect among citizens of Arab countries versus Muslim-majority countries, the authors find that the two groups exhibit distinct preference maps. Finally, they examine how these values are distributed among individual with different characteristics such as age, gender, education and religiosity.

Political Connections and Public Procurement in Turkey: Evidence from Construction Work Contracts

Esra Çeviker Gürakar, Tuba Bircan İldiri and Umut Gündü

Using a unique dataset of 17,937 high value public work construction procurements made between 2004 and 2011, this completed paper provides systematic evidence on favoritism in public procurement in Turkey. While the yearly total of high value construction procurements has tripled in eight years, the share of procurements made through less competitive procurement methods increased, due to various legal amendments that increased the use of less competitive procurement methods as well as state discretion in public procurement contract award processes. The authors found that politically connected firms enjoyed high levels of government discretion and higher contract prices in public procurements compared to other non-connected firms. The probability of a politically connected firm winning a procurement contract increases when less competitive award procedures are used, among other factors. Procurements conducted through less competitive methods cost more towards public. The use of public procurement for rent creation and distribution was extensive, particularly for projects costing more than TL 10 million, as well as the TOKİ projects.

The Role of the State in MENA Capital Markets

Alissa Amico and Steffen Hertog

This ongoing project aims at compiling a database of all listed companies where the state exercises ownership, which would allow to potentially compare private and public companies operating in specific sectors in order to be able to draw conclusions on the efficiency of state ownership in the MENA region. It also investigates the methods and timing of privatization with a view to drawing conclusions on the impact of various mechanisms of privatization with outcomes for the state, and analyses the stakes that governments have accumulated through the accumulation of ownership stakes in listed companies and draw conclusions about the overall presence of the state in capital markets.

Assessment of Competition Policy in Arab Countries in Transition

Ishac Diwan and Jala Youssef

In the 1990s, many Arab countries started to adopt economic reform programs that were mostly market packages aimed at reducing the role of the state. Encouraged by international organizations, many of them adopted a competition law for the sake of regulating their business environment. However, in practice, there are many factors that prevent the region from having competitive markets, including public sector dominance, benefits to politically connected firms and corruption. This research project contributes to the scarce literature on competition poli-

cy in Arab countries in transition. It will take stock of the current status of competition in these countries, including the challenges related to the competition implementation. Moreover, it will assess the effectiveness of competition policy implementation in these economies throughout the previous decade.

Transforming Gender Attitudes and Democratic Preferences in the Middle East

Veronica Kostenko, Eduard Ponarin, Musa Shteivi and Olga Igushkina

This paper focuses on the transformations of gender attitudes in a set of Arab societies covered by the Arab Barometer. The authors analyze age and cohort differences in 13 countries using generalized additive modeling (GAM). They argue that stagnation or even retrogression of gender attitudes in some societies may be caused in part by an ideological shift of the 1970s–1980s, from the largely secular and socialist-oriented national movements of the 1950s–1960s, to the more conservative period often associated with the rise of political Islam. On the other hand, the youngest cohorts in those societies, who have always been promoters of conservative gender attitudes, are becoming somewhat more liberal, although they remain slightly less gender egalitarian compared to other societies. The authors test their assumptions using the example of Yemen, which was divided into two parts between the period 1967–1990; the South supported by the Soviet Union and the North influenced by Saudi Arabia and the Western bloc. They trace the support for gender egalitarianism across generations in the two parts of Yemen and show that the secular socialist ideology made a profound imprint on the attitudes of a whole generation, making those who were in their twenties in the 1960s more egalitarian than the young people of today. The same is true for the other countries in the region that had some socialist experience.

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 public health literature that healthcare and nutrition during early childhood have important long-term and sometimes irreversible consequences on health and wellbeing later in life. In this paper, the authors perform an in-depth investigation of the patterns of inequality of opportunity in health and nutrition outcomes in Tunisia among children under the age of five. Several tools are used to perform such an analysis, including a comparison of distributions of the considered outcomes across the considered circumstances groups, estimation of the Human Opportunity Index, and the relative contributions of different circumstances using the Shapley de-

composition. The main findings reveal reasonable and low levels of inequality in access to all basic healthcare services and nutrition except in regards to improved water and sanitation access. Parents' education, wealth and location of residence are found to be key factors causing such low level of inequalities. Thus, it is easy to conclude that 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

In this completed paper, the author studies crony capitalism through the lens of Moroccan listed companies and the role of the financial sector. They begin by highlighting the role of banks in the history of Moroccan capitalism from the setting up of the French protectorate over Morocco, to the dominance of some major family groups. Afterwards, they describe the concentration and the high profitability of the banking sector among listed companies. Using a network analysis of board members of the Moroccan listed companies, they confirm the centrality of Finance compared to other sectors. By measuring the relational proximity, the author demonstrates that each cluster of the four main holding families has at least one financial company. Finally, it is argued that crony interlockers -who are members of royal foundations and represent either an institutional investor or a holding family that owns a bank and/or an insurance company- are the most central actors in the network of listed companies.

The Effect of Patriarchal Culture on Women's Labor Force Participation

Ishac Diwan and Irina Vartanova

In this initiated project, the authors show that patriarchal culture is correlated with female labor force participation (FLFP) and that levels of women's education -together with personal values and country norms in regards to patriarchy- explain most of the regional variations in FLFP observed around the world. They argue that education hides three separate effects: the impact of women's wages on household income; its impact on personal values; and the impact of a better bargaining position in a woman's household and community. This means that FLFP can be increased, not only through the impact of improved education on household income, but also through its indirect effect on patriarchal values and on women's bargaining power, the latter effect being in countries where variability in values is large.

Annex B. Research Projects

Grievances or Skills? The Effect of Education on Youth Political Participation and Attitudes in Egypt and Tunisia

Ragui Assaad, Caroline Krafft and Miquel Pellicer

There are two prominent accounts of the 2011 Arab uprisings and the role of education in youth mobilization. The first argument focuses on grievances, where the hypothesis rests on a link between educational attainment and youth job aspirations unfulfilled by the labor market. These unfulfilled aspirations fuel grievances and consequently lead to protest. The other argument focuses on mobilization costs. The central hypothesis is that education provides the skills, knowledge and/or contacts that facilitate political participation. This paper assesses and attempts to disentangle these two accounts by examining the effect of education on measures of grievance, political knowledge and political participation using rich youth surveys from Egypt and Tunisia. In order to partially deal with the endogeneity of education, the authors control for parental education and sibling fixed effects. Results show a strong and robust correlation of education with political knowledge and political participation, but not with grievances.

Diaspora Networks as A Bridge between Civilizations

Jackline Wahba, Ishac Diwan and Michele Tuccio

In December 2010, the Arab world experienced a revolutionary wave of protests, sparked by dissatisfaction with the human rights violations and political corruption. A salient characteristic of the Arab countries in upheaval was the high emigration rates. This raises a question about the role of returning migrants in changing social and political norms. This paper examines the social and political consequences of international migration experience and remittance receipt in the case of Arab countries using ArabBarometer survey dataset. In particular, it paper seeks to address whether persons who have lived in the past in more democratic host countries, namely U.S (or Canada) and Europe, can act as agents of changes since non-migrants can copy the behaviors of those who return. By means of a multi-level approach and ArabBarometer survey dataset, we show that migration and remittance receipt had a significant influence on the political attitudes of migrants and families who remain in the country of origin and receive remittances. Their experience abroad strengthened the likelihood of migrants to vote and accept some form of religious freedom, and makes them more interested in politics of their home countries. However, both migrants and non-migrants considered that women and men make equally good political leaders.

Empirical Applications of Collective Household Labor Supply Models in Iraq

Oznur Ozdamar and Eleftherios Giovanis

This study explores the determinants of the women's labor supply and the sharing rules for employed married couples, using data from the Iraq Household Socio-Economic Survey (IHSES) in 2012-2013. The model setup 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 in wages, non-labor income, age, education and number of children, as well as disability, are all distribution factors affecting the bargaining power and the share of full income for spouses. The findings show that for a one percent increase in a female's daily wage rate, her share of full income is increased by ID 1,200 (USD 1.1). Similarly, increases in a male's wage increase the spouse's share by ID 560 (USD 0.6). An increase of ID 1 in non-labor income increases a female's share by ID 0.4. The estimates show that disabled women decrease the share by ID 0.3 more than non-disabled ones. Therefore, besides the traditional factors of age, education and sex ratio, as well as, variables such as wage, non-labor income and household characteristics, disability can be an important factor that may affect the labor supply choices of couples, as well as their bargaining power and intra-household resource allocation.

Do Migrants Transfer Political and Social Norms to Their Origin Country? Evidence from Arab Countries

Jamal Bouoiyour

In December 2010, the Arab world experienced a revolutionary wave of protests, resulting in a salient upheaval of emigration rates. This raises a question about the role of returning migrants in changing social and political norms. This paper examines the social and political consequences of international migration experience and remittance receipt in the case of Arab countries. In particular, this paper seeks to address whether persons who have lived in the past in more democratic host countries, namely the U.S, Canada and Europe, can act as agents of change, since non-migrants can copy the behaviors of those who return. By means of a multi-level approach and the ArabBarometer survey dataset, the author shows that migration and remittance receipt had a significant influence on the political attitudes of migrants and families who remain in the country of origin and receive remittances. Due to their experience abroad, migrants are more likely to vote and accept some form of religious freedom, making them more interested in politics of their home countries. However, both migrants and non-migrants considered that women and men make equally good political leaders.

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 opportunity of equality. Particularly, individuals should not

be discriminated against according to their gender, ethnicity... etc. in hiring and promotion stages. This sort of discrimination is not only against the law in most countries, but it also leads to labor market inefficiency. This study first investigates discrimination by gender. Although participation rates for both men and women in Turkey are lower than the OECD averages, the participation rate for women is exceptionally low. The study also investigates the hiring stage discrimination between Turks and Kurds.

Using genuine methodology and dataset, the results of the proposed project will highlight the possible gender, ethnicity and religiosity discrimination at the hiring stage in the labor market. The results might shed light on the political necessities for increasing female labor force participation and the possible effects of polarization in the society through the labor market. This study is expected to have distinctive international value, as it may be the first correspondence audit study conducted in the MENA region, where all three types of discrimination might be relevant.

The Formation of Youths' Gender Role Attitudes Over the Transition to Adulthood: Evidence from Egypt

May Gadallah, Rania Roushdy and Maia Sieverding

Change in gender role attitudes is a neglected dimension of research on the transition to adulthood in the MENA region, despite its broad implications for youths' outcomes, as well as attitudinal change in the region over time. Using a life course framework, the authors of this paper examine the reciprocal relationship between attitude formation and two key transitions in young people's lives: the transition to marriage and parenthood and young women's transition to labor force participation. In order to address the simultaneity of attitudes formation and transitions, they exploit the panel dimension of the Survey of Young People in Egypt 2009 and 2014, estimating the impact of attitudes in 2009 on the likelihood of making transitions between 2009 and 2014, and the impact of those transitions on attitudes in 2014.

Education as Indoctrination

Ishac Diwan and Irina Vartanova

Previous work by this paper's authors had established a strong correlation between the low demand for democracy (and participation in civic action) and the level of education. However, these results may be due to a third factor, such as Islam, as a driver for low demand for democracy and conservative individual values. In other words, the authors had not established causality between education and individually held ideology. The goal of their work in this paper 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 needs to be urgently considered by new democratic regimes, such as Tunisia, involves changing their education systems in ways that increase the "social returns" to education, in order to consolidate the new democratic gains for the future.

Changes in Political Engagement and Belief Formation in Egypt and Turkey

Mansoor Moaddel

Comparative surveys were carried out in Egypt and Turkey in 2011 and 2013, respectively, using a nationally representative sample of more than 3,000 adults in each country. This project will re-interview the same respondents in order to assess how changes in their life conditions and the outbreak of events that transpired since the last surveys affected their values and political engagements. This panel study will explain the changes in sociopolitical and cultural values and examine how variation in participation in such activities as peaceful demonstrations, political protests and political violence is linked to changes in a number of areas: inter-group relations, identity and framing, attitudes toward the West and liberal values, religious fundamentalism, dysphoric emotions and personal efficacy, as well as sources of news information (the Internet, satellite TV and mobiles). The study will also assess how people's perceptions of corruption and trustworthiness of public officials are linked to political action and conflict. The authors will then evaluate the implications of this study for peace and national security.

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 that have been facing Egypt for many decades. Therefore, the successive governments devoted a lot of attention to designing different policies and programs to support the poor or eliminate 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 rather than the head of the household. This indicates that the core of poverty may be significantly related to individual characteristics, specifically gender, which could be aggravated by other factors, such

Annex B. Research Projects

as location. The authors of this study 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, while targeting female-headed households may have the merit of clear targeting, it doesn't address the feminization phenomenon of poverty. Rather, it presents unequal opportunities for women in other families by less favoring them. This study argues that proper targeting could be derived by the intensity of women in families.

Labor and Human Resource Development

Under this theme, ERF completed five projects, with one still ongoing and nine new ones initiated.

Incentives for Better Quality Higher Education

Ragui Assaad

This completed project, which covers Egypt, Jordan and Tunisia, explored possible explanations for the poor performance of higher education in the region. Complementing a previous project on "Financing Higher Education," this work investigated the institutional structure governing the operation of universities and whether the incentive structure facing the provider of higher education is compatible with desired outcomes or not.

Labor Market Dynamics in MENA

Ragui Assaad

This completed research project explored a number of issues in the labor market dynamics of the region. The project provided an understanding of the important driving labor market trends such as employment, migration, job creation...etc.; such dynamic analyses help identify the underlying strengths and weaknesses of the labor market. With an understanding of market dynamics, this project identified policy priorities to encourage dynamics and support labor market success and economic growth. Research output was organized around six interlinked areas: employment dynamics, migration and occupational mobility, dynamics of unemployment, household enterprise dynamics and dynamics of informality. Panel and retrospective data comparisons were also drawn across market trends over time to assess accuracy.

Labor Mobility in Egypt, Jordan and Turkey: A Multi-State, Multi-Spell Analysis Using the ELMPs, JLMPS and TWMHS

Zeynep Başak and Erol Taymaz

This completed project analyzed labor market dynamics in Egypt, Jordan and Turkey using retrospective labor market history survey data in the Egypt Labor Market Panel Survey (ELMPs) of 2012, the Jordan Labor Market Panel Survey (JLMPS) of 2010 and the Turkey Work and Migration History Survey (TWMHS) of 2011. The study investigated the determinants of labor market

transition dynamics into, out of, and between formal and informal employment at the individual level. The models estimated separately for males and females in order to reveal if there has been gender inequality in mobility between formal and informal jobs. To account for regional differences, the models were constructed separately for each country.

Do Remittances and International Migration Affect the Performance of the Labor Market in Jordan? An Empirical Investigation

Ghazi Allassaf

This completed project analyzed the potential effects of remittance flows on the labor market in Jordan. Using data from the JLMPS of 2010, the paper identified whether remittances lead to a considerable development of the Jordanian labor market. Moreover, it examined the impact of these flows on a variety of labor market indicators in Jordan, more specifically at a macro-economic level.

The Selection Aspects of Emigration in Egypt at the Individual, Household and Community Levels: The Local Impacts of Emigration on Poverty and Inequality Through Investment and Local Labor Market Effects

Sami Bensassi, Anda David and Joachim Jarreau

This completed research project utilized all three rounds of the ELMPs of 1998, 2006 and 2012, first to analyze the determinants of emigration, at the individual, household and community levels, and second, to study the relation between income/wealth levels and emigration, particularly the impact of emigration on inequality. The paper also analyzed the migration determinants linked to the changes in household composition and to the various stages of the life cycle.

Employment and Unemployment in Tunisia

Mongi Boughzala and Ragui Assaad

Following the data collection phase of the TLMPs, which was carried out in collaboration with the Applied Social Science Forum (ASSF) and The National Institution of Statistics (INS), ERF commissioned a set of papers exploring the TLMPs data. The papers addressed different aspects of the labor market in Tunisia including, but not limited to, labor supply, unemployment, wage inequalities and migration. The output of this project is expected to be published as an edited volume by Oxford University Press.

Education Effects on Days out of Work and Hospitalization: Evidence from Turkey

Aysit Tansel

The focus of this article is the relation between education and

health. Although there are a number of studies that demonstrate the correlation between education and health, it is more important to establish the casual nature of this relationship. This is important not only for the intrinsic value of knowing whether education has a casual effect on health, but also from the point of view of social policy. Therefore, this study will investigate the casual effect of education on health in a developing country -namely, Turkey. There are two measures of health to be considered: the days out of work and hospitalization, as reported by the individual. Recent studies in this topic mainly considered the case of developed countries such as the U.S. (Berger and Leigh, 1989), Sweden (Spajovic, 2003) or Denmark (Arendt, 2008). There is less evidence from the developing countries. Hence, Turkey, as a developing country, will be an interesting case study of the nature of the relationship between education and health. Recently, there have been marked declines in adult mortality and morbidity in Turkey, as well as improvements in the nutritional front.

The Effect of Public Sector on Private Jobs: Evidence from Palestine

Belal Fallah

The aim of this paper is to estimate the short run effect of creating more public jobs on private employment of the occupied West Bank. The main contribution of the paper is to explore the underlying mechanisms that explain the results, which comes at odd with most cited research. The crowd in effect results from an increase in local demand at the total level and in both sectors. The paper also explores other mechanisms, including public wage premium and tax effect.

Estimating Labor Demand Elasticities and Elasticities of Substitution in Egypt: A Firm Level Static Analysis

Hanan Nazier

Considering the importance of the unemployment problem in Egypt on one hand and the scarcity of studies covering the subject in Egypt on the other hand, the purpose of this paper is to analyze the most fundamental questions of labor demand: How do employers react to a change of wages? Does this reaction differ among various skill levels? More precisely, the main goal of this study is to measure the own wage elasticities of the demand for labor, as well as the elasticities of substitution between different labor inputs disaggregated according to skill in Egypt, based on micro establishment level data obtained from the 2008 Egypt Enterprise Survey conducted by the World Bank.

In Search of a New Development Model for Tunisia: Assessing the Performance of the Offshore Regime

Leila Baghdadi, Sonia Ben Kheder and Hassen Arouri

The main purpose of this paper is to examine the offshore regime in Tunisia and to assess the overall effects of this export promoting strategy for the period 2000-2013. Using firm-level data, the authors look in particular at the effects of this regime on wages, job creation, productivity, profitability and survival of firms. Offshore firms and onshore firms are compared to assess if the incentives that were provided to the former were successful. The estimation of offshore premium for importing and exporting firms shows that offshore firms have lower labor cost, are less productive and create less jobs than internationalized onshore firms. Their profitability was higher for two years during the period. When examining the premium for only exporting firms, the exceeding profitability of offshore firms turned out to be larger and more significant.

Information and Communication Technologies and Employment Generation in the Turkish Manufacturing Industry

Yılmaz Kılıçaslan and Ünal Töngür

This study aims to examine the impact of the use of Information and Communication Technologies (ICT) on employment generation in the Turkish manufacturing industry. This study is said to be the first attempt in exploring this impact at the firm level. The analysis is based on firm level data obtained from the Turkish Statistical Institute (TurkStat) and covers the period 2003-2013. The data used in the analysis includes all firms employing 20 or more employees in the Turkish manufacturing industry. Findings based on system GMM estimations show that ICT has employment-enhancing effects on Turkish manufacturing. Moreover, the results provide the evidence that intangible ICT capital has stronger employment generation impact than that of tangible ICT capital in medium- and low-tech industries. However, none of the study's models support the employment creation impact of ICT on high-tech sectors.

Turtles or Gazelles: Understanding the Determinants of Employment Creation in the Labor Market in MENA Countries

Hassan Aly, Youssef Daoud, Amr Ragab and Ayhab Saad

Recent research on demand for labor has identified the employment creation role of a handful of young and fast-growing firms. "Gazelles" are identified as firms with high growth rates and increasing contribution to employment creation. These high performing firms are fewer in number compared to the total number of firms operating in the private sector. In other words, the private sector in the MENA region is dominated by "turtles," or firms with sluggish growth (if any) and very little to no contribution to job creation. This proposal addresses the knowledge gap on the turtle-gazelle issue. It uses firm-level data from the World Enterprise Surveys (WES) conducted by the World Bank to identify the determinants of firms' job creation capability. It examines the characteristics and conditions most responsible for making a firm either a gazelle or a turtle, with a particular focus on the turtle group of firms.

Annex B. Research Projects

Innovation & Labor Demand in MENA

Tamer Taha, Robin Cowan, Micheline Goedhuys and Pierre Mohnen

Southern Mediterranean countries suffer from one of the lowest innovation performance rates and highest unemployment rates compared to other middle-income countries. This research project aims at solving the puzzling impact of firms' innovative behavior on job generation in the context of the MENA region's institutional framework. Using a harmonized regional firm-level dataset, the project will try to identify the links between innovation and labor demand.

ERF-World Bank "Egypt: Youth Essay Competition,"

Sara Taraman and Jala Youssef

To engage youth in finding innovative solutions to youth employment in Egypt, the ERF and the World Bank launched the first "Youth Essay Competition." The competition addressed youth unemployment in Egypt, particularly focusing on youth training and job creation. It was open to all Egyptians up to the age of 29, and invited applicants to submit a 2,500 word solution-based essay (in Arabic or English). 115 candidates submitted their essays, which were evaluated by a technical refereeing committee based on relevant evaluation criteria. The top ten finalists were invited to present their essays in an award event in January 2017 in Cairo, Egypt. The panelists at the event evaluated the ten finalists based on the overall quality of their submissions, taking into consideration presentation skills and the feasibility and conviction of their recommendations. Based on the panelists' judgement, the first five winners received a monetary award.

Youth and Vulnerability in the Middle East and North Africa

Ragui Assaad, Caroline Krafft and Maia Sieverding

In order to understand the nature of the challenges facing youth in the region and to design policies to include and support youth, ERF, in collaboration with the Ford Foundation, will launch a research project on youth and vulnerability in MENA. The proposed project will focus on issues of marginalization, informality and vulnerability among the most at-risk groups of MENA youth, including refugees. The research program will comprise two components: a directed research project focusing on better understanding the vulnerability of Syrian refugees and their host communities, the situation of youth who live in informal urban areas and are marginalized in access to services, and the relationship between inequality and vulnerability. There will also be an open call for research on other critical issues of youth vulnerability, such as disability, refugee youth, multi-dimensional vulnerability of youth and policy responses to youth vulnerability.

Syrian Refugees in Jordan: The Challenge of Sustainable Development

Ragui Assaad and Jackline Wahba

The outbreak of the Syrian conflict in 2011 has displaced 4.7 million people to neighboring countries. This project examines the impact of the Syrian refugee influx to Jordan on its labor market and public services. It studies the socio-economic impact for both Jordanians and Syrian refugees, as well as other groups of immigrants, highlighting the effects on women, youth and children. It examines whether areas with a high share of refugees have experienced housing pressures and increased rental prices. Also, it explores whether the lack of affordable housing has negatively impacted the social trajectory of young Jordanians, delaying or preventing them from getting married and starting a family. Further, it addresses school and university participation among Jordanians and Syrian refugees (6-24 years of age). Finally, the project tackles the potential impact of hosting refugees on Jordanian women's freedom of mobility, female labor market participation and women's empowerment. Similarly, it studies the barriers that female Syrian refugees face and the implications for participating in the host society.

Gender and Women Economic Empowerment

Under this theme, ERF completed ten projects.

Institutional Challenges for Responsive Gender Budgeting in Egypt: Budgetary vs Political Institutions

Lobna M. Abdellatif, Mohamed A. Ramadan and Mohamed Zaky

This project provided evidence on whether the allocation of public resources in Egypt is gender sensitive. More precisely, it investigated how the public recognizes the importance of public services for women protection, and whether political institutions are capable of turning public values about women protection with clear weights. It does not only relate to public values and gender values, but also to the mechanism of budgeting allocation. The research is driven by three types of data sources: public beliefs, planners and administration experience, as well as documented public regulations, laws and political speeches.

Women's Economic Empowerment Through Microfinance Services - Focus: Tunisia

Walid Jebili and Mathilde Bauwin

This study investigated the role of gender in the growing process of microfinance clients' businesses and whether it is a determining factor. The innovation of this research lies in the definition of "economic empowerment," where it is more linked to the business development process rather than the client's socioeconomic characteristics. In this research, a double approach was consid-

ered, both static and dynamic, with a multinomial logit model and a multistate-business-driven observation (BDO) model.

Energy Subsidy Reform in Egypt: The Gender - "Energy" Poverty Nexus

Fatma El-Hamidi

The objective of this study was to examine the economic and social impact of the proposed energy subsidy reform policies on the Egyptian household, which started in July 2014 and is expected to be end in five years. In this context, the study assessed disparities in expenditure patterns on energy product types and transport across income/expenditure levels. It also examined current levels and types of energy consumption by the gender heading the household.

The Economics of Life Course Transitions in the Middle East and North Africa

Ragui Assaad

This research project focused on the economics of the life course and the way in which life course transitions relate to markets. It addressed various issues including the relationship between life course transitions, the markets for human capital formation, labor, housing, intra-household bargaining and inter-generational ties. This research had a strong gender component given the very different trajectories pursued by men and women over their life courses. A central part of such a gender perspective is the understanding of household dynamics and bargaining and how they affect decisions relating to various markets. Seven papers were commissioned under this project.

Ladies and Gentlemen, Microfinance Needs to Consider Your Different Social, Risk and Time Preferences: An Experimental Study in Rural Egypt

Mohamed El-Komi

This study investigated the effect of gender preferences on the choice of microfinance. As gender differences exist with respect to risk, time, social preferences and competitiveness, the implications of such dissimilarities are particularly crucial when designing financial and social protection policies. Consequently, the project suggested a mechanism to incorporate these differences in the design of microfinance (and other financial policies that target the poor).

Social Protection, Gender and the Consumption Patterns of the Poor: The Role of NGOs in Poverty Reduction in Iran

Hadi Salehi Esfahani and Roksana Bahramitash

The purpose of this completed project was to assess the differential impact of NGOs on the consumption patterns of poor house-

holds in Iran. The project shed light on whether the households that receive support from NGOs are indeed potentially among the poorest, how their expenditure patterns vary from the non-recipients, and whether the gender of the recipient and their status as head of the household matters in the way NGOs support. The study selected a group of 20 NGOs offering social protection services in Iran and carried out household income and expenditure surveys on samples of their support recipients. Half of the selected NGOs target women while the other half aren't gender specific. Notably, the surveys relied on an extended version of the recent Household Income and Expenditure Survey (HIES) questionnaires used by the Statistical Center of Iran.

Social Protection and Gender in Iran: Assessing the Differential Impact of Social Protection Activities on Female-Headed versus Male-Headed Households

Hadi Salehi Esfahani and Seyed Mohammad Karimi

The aim of this project was to assess the differential impact of social protection services on household expenditure in Iran with respect to the gender of the head of household. The issue is important since poverty rates tend to be much higher among female-headed households. Also, the gains from social protection might be diminished significantly if the rules and policies governing the provision of social protection tilt the benefits towards male-headed households. The research used data from the Annual HEIS and Iran's Statistical Yearbook during 1991-2013. It also relied on quantile regressions of household expenditure distributions in Iran's provinces on indicators of social protection activity, controlling for household and province characteristics, as well as other relevant and observable factors.

Does Microcredit Reduce Gender Inequality? An Application of Decomposition Analysis to Egypt

Mohamed Arouri and Nguyen Viet Cuong

This project investigated the access to microcredit and whether it can help empower women and reduce gender inequality in Egypt. Additionally, it examined the policy implications for microcredit programs so that these programs can be more effective. The study relied on data from the ELMPs of 2006 and 2012.

The Impact of the Turkish Employment Subsidy Programs in Increasing the Level of Social Protection for Women

Belgi Turan, Seyit Mumin Cilasan and Binnur Balkan

In July 2008, The Turkish government started a labor market program to subsidize employers' social security contributions for two target groups: young men aged 18-29 and all women above 18. The aim of this study was to investigate and analyze the impact of the program on social protection of women by checking the tran-

Annex B. Research Projects

sitions in the labor market states. Using difference-in-differences (DID) and regression discontinuity design (RDD) techniques, the effectiveness of the policy was assessed by analyzing the switches from informal employment, unemployment and out of the labor force to formal employment. Finally, the study carried out analysis on social protection with respect to firm size, since the degree of social protection in the intensive margin differs in this regard. Overall, the project aimed to assess whether the subsidy program has been effective in reducing gender gaps in the Turkish labor market in terms of the level of social protection.

Pension Payments, Social Transfers and Income Inequality in Turkey: How Important is the Gender Dimension?

Cem Başlevent

The main purpose of this project was to determine the extent to which social transfers and pension payments have an impact on income inequality and the incidence of poverty in Turkey. Using descriptive and econometric analyses, this research identified the amounts of various types of income received by households, distinguished between the incomes of male and female household members and examined the gender dimension of the research question.

The Effect of Survivors' Benefits on Poverty and Health Indicators of Women and Children in Single-Mother Households: A Turkish Case Study

Oznur Ozdamar and Eleftherios Giovanis

Although there are public survivors' benefits to the single-mother households in Turkey, only a single source of income categorizes these households as low-income families. The aim of this project was to empirically analyze the effect of survivors' benefits on poverty indicators of single-mother households in Turkey. It also investigated whether survivors' benefits promote the health status of women and children in these families. The study used data from three different surveys: Cross-Sectional Income and Living Conditions Survey of Turkey (2006-2012), Panel Income and Living Conditions Survey of Turkey (2009-2012) and Cross Sectional Health Survey of Turkey (2010, 2012).

GDN Projects

Under this theme, ERF completed six projects, all conceived through a research competition.

Determinants and Impact of Household's Out-Of-Pocket Healthcare Expenditure in Sudan: Evidence From Urban and Rural Population

Ebeidalla Mahjoub Ebaidalla and Mohammed Elhaj Mustafa

This study examined the determinants of out-of-pocket (OOP) health expenditures and the factors associated with the risk of catastrophic health expenditure in Sudan. It also investigated

the effect of OOP health expenditure on poverty incidence in the country. The study used data from the National Baseline Household Survey (NBHS) of 2009 for national, urban and rural levels of population. To strengthen the insight of findings, the analysis of OOP expenditure was also executed for different income groups. The results show that factors such as household income, incidence of disease, education, household size and number of household's members over the age of 65 and under the age of five are the most important factors affecting health expenditures. The results also indicate that the number of elderly members and children, and households belonging to the lowest income quintiles are the most significant variables increasing the risk of incurring catastrophic health expenditures. In addition, the results reveal that a household with catastrophic health expenditure tends to reduce its budget allocation to education, food and other items. Moreover, the empirical results indicate that health expenditure pushes a considerable portion of Sudanese households into poverty, thus increasing poverty rates in the country. Finally, the paper ended with recommendations aimed at assisting policymakers in designing an appropriate health system strategy to protect households against the risk of OOP health expenditures and to reduce the impoverishment effect when it becomes catastrophic.

Access to Healthcare, Utilization and Health Outcomes in Turkey

Firat Bilgel and Burhan Can Karahasan

Limited research has been conducted in examining the actual delivery of care using geographical information systems (GISs) approaches or understanding the spatial associations between healthcare access, utilization and health outcomes. This research aimed at filling this gap and purport preliminary evidence on the effects of primary care access and utilization on health outcomes in Turkey, as well as their relationship to the geographic environment, by conducting a set of spatial analyses for the period 2008-2013. This research is the first attempt to reveal these spatial associations in Turkey and one of the very few endeavors to assess spatial ties in healthcare within a framework that also accounts for temporal dynamics. Unraveling the spatial spillovers and heterogeneity in utilization and health outcomes is conducive to sound health policies designed to prevent health inequalities and ensure an equitable geographic distribution of healthcare resources by identifying regions that suffer from shortages of healthcare infrastructure and health workforce.

Who Pays More: Public, Private, Both or None? The Effects of Health Insurance Schemes and Health Reforms on Out-of-Pocket and Catastrophic Health Expenditures in Turkey

Eleftherios Giovanis and Oznur Ozdamar

This study explored the determinants and characteristics of the

OOP to capacity to pay and catastrophic health expenditures in Turkey using a detailed micro-level survey, the Household Budget Survey (HBS) for the period 2002-2011. The results showed that those who have public health insurance are less likely to face OOP to capacity to pay and catastrophic health expenditures compared to those with private health insurance or those without any health insurance. In addition, the study explored the expansion of the health reform of 2003, where in 2008 the Green Card (Yeşil Kart) holders were entitled, without fee, to the same services as those with public health insurance such as Emekli Sandığı, BAĞ-KUR and SSK. The analysis employed a difference-in-differences (DID) approach using a pseudo-panel based on propensity score matching. The results support that the difference of pocket health expenditures between the public health insurers and green card holders has been reduced. Furthermore, those who are located in rural areas are compared with those residing in urban areas, as the health reform in 2008 included the expansion and improvement of emergency services and infrastructure in rural areas.

The Link Between Health Insurance Schemes, Health Expenditures, Productivity and Living Conditions Growth of Households in Turkey

Oznur Ozdamar and Eleftherios Giovanis

This study employed a Structural Equation Modelling (SEM) to explore the health related costs using the Standard of Livings (SoL) approach in Turkey, employing data from the cross-sectional HBS during the period 2002-2013. The SEM allowed the authors to investigate all these concerns simultaneously. A health condition index was created regarding questions related to the mental and physical limitations (disability) of people. The study extended the previous research by introducing an SEM framework, which accounts for the measurement error in both SoL and health-condition indices and allows for the simultaneous estimation of the link between health condition costs and SoL using structural equations. The underlying theory of the SoL approach is that a household's SoL is a function of needs and income, and the additional costs of disability can be estimated by comparing the standard of living of the household with and without disabled members, while controlling for other sources of variation. The results showed that disability has a significant and negative impact on SoL. The study also utilized the health reform of 2008, a quasi-experiment approach using DID regression within an SEM framework between disabled and non-disabled households. The disability related costs constitute 23 percent of the household income, corresponding to TL 4,000.

Out-of-Pocket Health Expenditure and Household Budget: Evidence From Arab Countries

Reham Rizk and Hala Abou Ali

This paper assessed the prevalence of OOP catastrophic health expenditure and pinpointed the factors associated with its risk in Egypt and Palestine. Data used in this research was obtained

from the ERF Harmonized Household Income and Expenditure Surveys for Egypt and Palestine in 2010-2011. Finite mixed models were applied to assess the socio-economic indicators of catastrophic impacts of OOP health expenditure. The results suggested that rich households are more likely to incur catastrophic health expenditure compared to poor households. The probability of catastrophic health expenditure is higher in rural areas and among elderly household members.

Out-of-Pocket Health Expenditures in Turkey in the Aftermath of the Reforms

Burcay Erus

This study aimed to perform the analysis for the Turkish case by tracking the use of healthcare services and household expenditures between 2003, when the reforms started, to 2013. In addition, the paper studied the Turkish reform, which replaced a system where physicians had their own private practices, with one in which hospitals became the main service providers. In the new system, physicians are more attached to hospitals and are less independent. In the meantime, pharmaceutical drug prices fell, and thus became easier to purchase. Using detailed micro level expenditure data, which provides the type of healthcare service paid for, this study attempted to measure whether and how this affected payments to physicians, hospitals and drugs.

Annexes

Annex C. Publications

Middle East Development Journal (MEDJ)

MEDJ, Vol. 8, No. 1, June 2016

MEDJ, Vol. 8, No. 2, December 2016

Volumes

Understanding and Avoiding the Oil Curse in the Arab World

Edited by Ibrahim Elbadawi and Hoda Selim

Capital in the Twenty-First Century (Arabic version)

Thomas Piketty

Translated by: Wael Gamal and Salma Hussien

Policy Briefs

Going beyond Doing Business to Foster Job Creation in Arab Countries

Jamal Ibrahim Haidar and Hedi Larbi

PB 7

Modifying the Path of Fertility Rates to Accelerate Egypt's Entry in the Demographic Window (in Arabic)

Sara El Khishin

PB 8

Sticks Rather than Carrots to Induce More Formality

Aysit Tansel

PB 9

Replace Discretion with Rules: How Policy Reform Can Boost Economic Performance

Izak Atiyas

PB 10

Trade Liberalization in Egypt: Let the Informal Labor Market Take the Strain

Abeer Elshennawy

PB 11

Reducing Air Pollution in Cairo: Raise User Costs and Invest In Public Transit

Alban Thomas

PB 12

Employment and Rates of Return to Education in Arab Countries Gender and Public Sector Perspectives

Zafiriz Tzannatos

PB 13

Boosting World Trade in Tunisia and Egypt by Cutting Non-Tariff Barriers Better Imports for Better Exports

Zouhour Karray

PB 14

Tackling Poverty and Poor Health in Turkish Widowed Households State Benefits Work

Oznur Ozdamar and Eleftherios Giovanis

PB 15

School Based Management: An Approach to Improve Learning Outcomes in Egypt

Engi Gamal Eldin

PB 16

Low Social and Political Returns to Education in the Arab World

Ishac Diwan

PB 17

Are Export Sanctions Effective?

Jamal Ibrahim Haidar

PB 18

Labor Market Regulations: Job Security versus Labor Flexibility

Jackline Wahba

PB 19

The Impact of Emigration on MENA Labor Markets

Anda David and Mohamed Ali Marouani

PB 20

The US Fracking Boom, Oil Prices and Policy Options for Arab Oil Producers

Romesh Vaitilingam

PB 21

Mechanization to Drive A Process for Fertilizer Subsidy Reform in Egypt

Shinan N. Kassam and Boubaker Dhehibi

PB 22

Policy Perspectives

Lessons and Pitfalls of Transitions to Democracy

Melani Cammett

PP 17

Options for Climate Change Policy in MENA Countries after Paris

Mustafa Hussein Babiker

PP 18

The Case for Improving Water Efficiency in MENA Countries
Marc Jeuland
PP 19

Subsidizing Inequality: Policy and Higher Education in the Middle East and North Africa
Caroline Krafft and Halimat Alawode
PP 20

The US Shale Oil Revolution Requires Major Reforms in the Macroeconomic Policy Frameworks and Institutions in the MENA Region
Kamiar Mohaddes and Mehdi Raissi
PP 21

Forum

Forum Newsletter Volume 23, No. 1

Working Papers

Rent Control Dilemma Comeback in Egypt's Governance: A Hedonic Approach
Shereen E. Attia
WP 979

Capital Account Liberalization and Financial Deepening: Does the Private Sector Matter?
Mohamed Trabelsi and Mondher Cherif
WP 980

Individual Preferences For Democracy in the Arab World Explaining the Gap
Mohammed Al-Ississ and Ishac Diwan
WP 981

Is Corruption "Greasing" Or "Sanding" The Wheels of Innovation of Firms in MENA?
Tamer Taha
WP 982

Understanding The Dynamics of Household Enterprises in Egypt: Birth, Death, Growth and Transformation
Caroline Krafft
WP 983

Access To the Labor Market and the Impact of Passage Through an Introductory Traineeship in Professional Life (SIVP1): The Example Of the Graduates Of Higher Education

in Tunisia From 2004 To 2008
Imen Mouaddeb and Mohamed Kriaa
WP 984

Financial Stability and Macro Prudential Regulation: Policy Implication of Systemic Expected Shortfall Measure
Hatem Salah and Marwa Souissi
WP 985

Returns To Education: An Updated Comparison From Arab Countries
Reham Rizk
WP 986

Determinants Of Emigration: Evidence From Egypt
Anda David and Joachim Jarreau
WP 987

Population Dynamics and Carbon Emissions in The Arab Region: An Extended Stirpat II Model
Hala Abou-Ali, Yasmine M. Abdelfattah and John Adams
WP 988

Export Orientation and Exchange Rate Changes: Do Firms React Differently and Why?
Khalid Sekkat
WP 989

Algeria and the Natural Resource Curse: Oil Abundance and Economic Growth
Sidi Mohammed Chekouri and Abderrahim Chibi
WP 990

An Analysis of Education Expenditures in Turkey By Income Groups
Elif Öznur Acar, Seyit Mümin Cilasun and Burak Günalp
WP 991

Identifying Sources of Inefficiency among Students of Five MENA Countries
Mohamed Ayadi and Abdelali Ben Mbarka
WP 992

Labor Market Dynamics and Youth Unemployment in the Middle East and North Africa: Evidence From Egypt, Jordan and Tunisia
Ragui Assaad and Caroline Krafft
WP 993

Annex C. Publications

Comparing Retrospective and Panel Data Collection Methods to Assess Labor Market Dynamics

Ragui Assaad, Caroline Krafft and Shaimaa Yassin

WP 994

Patterns of Veiling Among Muslim Women

Ishac Diwan and Jeni Klugman

WP 995

Out of Pocket Education Expenditure and Household Budget: Evidence from Arab Countries

Reham Rizk and Hala Abou-Ali

WP 996

Southwest as the New Internal Migration Destination in Turkey

Ali T. Akarca and Aysit Tansel

WP 997

Gender and Labor Allocation: The Role of Institutions and Policies in the Allocation of Female and Male Labor

Hadi Esfahani, Roksana Bahramitash and Bin Lin

WP 998

Women's participation in Labor Market in Egypt: Constraints and Opportunities

Hanan Nazier and Racha Ramadan

WP 999

Returns to Schooling in Egypt

"Ragui Assaad, Abdurrahman Aydemir, Meltem Dayioglu and Murat Guray Kirdar"

WP 1000

Informalization Dynamics and Gains: Why Want a Job Contract?

Ahmed Elsayed and Jackline Wahba

WP 1001

Inequality of Opportunity in Wages and Consumption in Egypt

Ragui Assaad, Caroline Krafft, John Roemer and Djavad Salehi-Isfahani

WP 1002

Inequality of Opportunity in Income and Consumption: The Middle East and North Africa Region in Comparative Perspective

Ragui Assaad, Caroline Krafft, John Roemer and Djavad Salehi-Isfahani

WP 1003

Does Exchange Rate Undervaluation Matter for Exports and Trade Margins? Evidence From Firm-Level Data

Ibrahim Elbadawi and Chahir Zaki

WP 1004

Determinants of Contribution Density of the Tunisian Pension System: A Cross Sectional Analysis

Mehdi Ben Braham and Mohamed Ali Marouani

WP 1005

Popular Grievances and Perceptions of Socioeconomic Conditions in the Arab Region Prior to the Uprisings

Melani Cammett and Nisreen Salti

WP 1006

Rates of Return to Education in Twenty Two Arab Countries: An Update and Comparison between MENA and the Rest of the World

Zafiris Tzannatos, Ishac Diwan and Joanna Abdel Ahad

WP 1007

Measuring Pro-Poor Growth in Egypt, Jordan, and Palestine

Ali Hashemi

WP 1008

Exploring the Determinants of Welfare Distribution in Tunisia and Egypt Using a Welfare Generation Model

Yosr Abid, Cathal O'Donoghue and Denisa Sologon

WP 1009

Upward or Downward: Occupational Mobility and Return Migration

Nelly El-Mallakh and Jackline Wahba

WP 1010

Socio-Economic Inequalities in Maternity Care Under Political Instability: Evidence From Egypt, Jordan and Yemen

Ahmed Shoukry Rashad and Mesbah Fathy Sharaf

WP 1011

Services Trade Policy and Manufacturing Productivity: The Role of Institutions

Cosimo Beverelli, Matteo Fiorini and Bernard Hoekman

WP 1012

Social Transfers and Income Inequality in Turkey: How Important Is the Gender Dimension?

Cem Başlevent

WP 1013

Do International Remittances Affect the Performance of Labor Market in Jordan? An Empirical Investigation

Ghazi Ibrahim Al-Assaf

WP 1014

Decomposing Welfare Inequality in Egypt and Tunisia: An Oaxaca-Blinder Based Approach

Yosr Abid, Cathal O'Donoghue and Denisa Sologon

WP 1015

Inequality Decomposition in the Arab Region: Application to Jordan, Egypt, Palestine and Tunisia

Racha Ramadan, Vladimir Hlasny and Vito Intini

WP 1016

Does Microcredit Reduce Gender Gap in Employment? An Application of Decomposition Analysis to Egypt

Mohamed Arouri and Cuong Viet Nguyen

WP 1017

The Effect of Survivors' Benefits on Poverty and Health Indicators of Women and Children in Widowed-Mother Households: A Turkish Case Study

Oznur Ozdamar and Eleftherios Giovanis

WP 1018

Labor Market Effects of Pension Reform: An Overlapping Generations General Equilibrium Model Applied to Tunisia

Mouna Ben Othman and Mohamed Ali Marouani

WP 1019

The Role of Fiscal Policy in Fighting Poverty and Reducing Inequality in Iran: An Application of the Commitment to Equity (CEQ) Framework

Ali Enami, Nora Lustig and Alireza Taqdiri

WP 1020

Do Pensions Reduce the Incentive to Work? Evidence From Egypt

Mohamed Arouri and Cuong Viet Nguyen

WP 1021

The Impact of the Turkish Employment Subsidy Programs on Increasing the Level of Social Protection For Women

Binnur Balkan, Seyit Mümin Cilasun and Belgi Turan

WP 1022

Demographic Changes and Fiscal Policy in MENA Countries

Mehmet S. Tosun

WP 1023

Is MENA Different? An Investigation of the Host Country Determinants of Chinese Outward Foreign Direct Investment

Rania S. Miniesy and Eman Elish

WP 1024

Informal Competition, Firms' Productivity and Policy Reforms in Egypt

Nesma Ali and Boris Najman

WP 1025

Politics of Global Value Chains

Julian Hinz and Elsa Leromain

WP 1026

Fiscal Governance in Egypt: Strengthening Budgetary Institutions to Counteract Political Fragmentation

Mohamed Zaky and Sarah El khishin

WP 1027

Modelling Conditional Volatility and Downside Risk for Istanbul Stock Exchange

Amira Akl Ahmed and Doaa Akl Ahmed

WP 1028

Alternative Simulations of Equalization Transfers in Sudan

NourEldin A. Maglad and Eisa A.M. Elshwin

WP 1029

The Causal Effect of Education on Health Behaviors: Evidence From Turkey

Aysit Tansel and Deniz Karaoglan

WP 1030

Aligning Incentives for Reforming Higher Education in Tunisia

Mongi Boughzala, Samir Ghazouani and Abdelwahab Ben Hafaiedh

WP 1031

Comprehensive Capital Analysis and Review (CCAR) Stress Test

Mahmoud Haddad and Sam Hakim

WP 1032

Is Tunisian Trade Policy Pro-Poor?

Inmaculada Martinez-Zarzoso, Leila Baghdadi and Hendrik Kruse

WP 1033

Annex C. Publications

The Political Economy of Macroeconomic Policy in Arab Resource-Rich Economies

Adeel Malik

WP 1034

Asymmetric Growth Impact of Social Policy: A Post-Shock Policy Scenario for Egypt

Hany Abdel-Latif and Tapas Mishra

WP 1035

Characteristics of the Unemployed and Efficiency on Matching Regional Markets: Case of Tunisia (in French)

Besma Jellali

WP 1036

Renewable and Non-Renewable Electricity Consumption, Carbon Emissions and GDP: Evidence from Mediterranean Countries

Fateh Belaid and Maha Harbaoui Zrelli

WP 1037

Government Intervention with No Structural Transformation: The Challenges of Egyptian Industrial Policy in Comparative Perspective (IN ARABIC)

Amirah El-Haddad

WP 1038

The Impact of Institutional Blockholders on Voluntary Disclosure and Transparency: The Case of Egypt

Doaa El-Diftar, Eleri Jones and Mohamed Moustafa Soliman

WP 1039

Introducing the Tunisia Labor Market Panel Survey 2014

Ragui Assaad, Samir Ghazouani, Caroline Krafft and Dominique J. Rolando

WP 1040

Firm and Regional Factors of Productivity: A Multilevel Analysis of Tunisian Manufacturing

Mohamed Amara and Khaled Thabet

WP 1041

Risk Sharing Vs Risk Bearing and Shifting: Evidence from Conventional and Islamic Banks of MENA Region Using Metafrontier Directional Distance Functions

Zouheir Bouchaddakh and Mohamed Mekki Ben Jemaa

WP 1042

Deciphering the Relationship between Internal Migration and Regional Disparities in Tunisia

Mohamed Amara and Hatem Jemmali

WP 1043

The Political Economy of Fiscal Institutions and Macroeconomic Management in Sudan

Kabbashi M. Suliman

WP 1044

Local Versus International Crises, Foreign Subsidiaries and Bank Stability: Evidence from the MENA Region

Tammuz Alraheb and Amine Tarazi

WP 1045

Twins, Family Size, and Female Labor Force Participation in Iran

Mahdi Majbouri

WP 1046

Economic, Political and Cultural Proximity and Growth Propagation: A Network Model with Endogenous Proximity Matrix

Mohamed Mekki Ben Jemaa

WP 1047

Inequality of Opportunities among Tunisian Children over Time and Space

Hatem Jemmali

WP 1048

Accessibility, Transportation Cost and Regional Growth: A Case Study for Egypt

Dina N. Elshahawany, Eduardo A. Haddad and Michael L. Lahr

WP 1049

Why is Fertility on the Rise in Egypt? The Role of Women's Employment Opportunities

Caroline Krafft

WP 1050

Does International Migration Help Them Marry earlier? A Hazard Model for the Case of Egypt

Anda David and Rana Hendy

WP 1051

Oil Prices and the Global Economy: Is It Different This Time Around?

Kamiar Mohaddes and M. Hashem Pesaran

WP 1052

Political Connections and Public Procurement in Turkey: Evidence from Construction Work Contracts

Esra Çeviker Gürakar and Tuba Bircan İldiri

WP 1053

Do Political Connections Reduce Job Creation? Evidence from Lebanon

Ishac Diwan and Jamal Ibrahim Haidar

WP 1054

Energy Subsidy Reform in Egypt: The Gender – “Energy” Poverty Nexus

Fatma El-Hamidi

WP 1055

Inequality of Opportunity in Higher Education in the Middle East and North Africa

Caroline Krafft and Halimat Alawode

WP 1056

Trade between Egypt, Sudan and Ethiopia: Prospects and Challenges for Trilateral Trade Integration

Ebaidalla Mahjoub Ebaidalla

WP 1057

Who Pays More: Public, Private, Both or None? The Effects of Health Insurance Schemes and Health Reforms on Out-of-Pocket and Catastrophic Health Expenditures in Turkey

Eleftherios Giovanis and Oznur Ozdamar

WP 1058

I’ve Got the Power: Mapping Connections between Lebanon’s Banking Sector and the Ruling Class

Jad Chaaban

WP 1059

The Link between Health Condition Costs and Standard of Living: A Structural Equation Modelling

Oznur Ozdamar and Eleftherios Giovanis

WP 1060

Constructing Labor Market Transitions Recall Weights in Retrospective Data: An Application to Egypt and Jordan

Shaimaa Yassin

WP 1061

Judicial Review in Public-Private Business Contracts in Egypt: Evidence from Administrative Court Rulings in Government Tenders and Bids Law Disputes

Sahar Tohamy Hassanin

WP 1062

Moroccan Cronyism: Facts, Mechanisms and Impact

Mohammed Said Saadi

WP 1063

Anatolian Tigers and the Emergence of the Devout Bourgeoisie in the Turkish Manufacturing Industry: An Empirical Analysis

Izak Atiyas, Ozan Bakış and Esra Ceviker Gurakar

WP 1064

Out of Pocket Health Expenditure and Household Budget: Evidence from Arab Countries

Reham Rizk and Hala Abou-Ali

WP 1065

Crony Interlockers and The Centrality of Banks: The Network of Moroccan Listed Companies

Mohamed Oubenal

WP 1066

Correlates of Kin Marriage in Egypt, Jordan, and Tunisia

Rania Salem and Sarah Shah

WP 1067

Is There an Arab Variety of Capitalism?

Steffen Hertog

WP 1068

Comparative Analysis of Higher Education Processes in Egypt, Jordan and Tunisia: An Examination of Pedagogy, Accountability and Perceptions of Quality

Ragui Assaad and Caroline Krafft

WP 1069

Out of Pocket Health Expenditures in Turkey in the Aftermath of the Reforms: Impact of Co-payments on Expenditures and Use of Health Services

Burcay Erus

WP 1070

Investment Climate and Firms’ Exports in Egypt: When Politics Matter

Nora Aboushady and Chahir Zaki

WP 1071

National Oil Companies in the Middle East and North Africa: Remaining Relevant in a Changing World

Jenik Radon and Sarah Logan

WP 1072

Private Banking and Crony Capitalism in Egypt

Ishac Diwan and Marc Schiffbauer

WP 1073

Annexes

Annex D. Financial Statements



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Audit Report

To the Board of Trustees of the **Economic Research Forum**

Report on the Financial Statements

We have audited the accompanying financial statements of Economic Research Forum, represented in the financial position as of 31 December 2016, and the related statements of activities and change in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Organization's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances,



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but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

In our opinion, the financial statements referred to above give a true and fair view, in all material respects, of the financial position of **Economic Research Forum** as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.



Ashraf Emil Botros
Cairo: 27 February 2017

Economic Research Forum (ERF)

Financial Position

As of 31 December 2016

	Note	2016 USD	2015 USD
Non-current Assets			
Fixed Assets	(3)	4,345,391	4,467,189
Investments	(4)	14,753,421	10,792,747
Contributions and Grants Receivable	(5)	610,130	4,338,305
Total Non-current Assets		19,708,942	19,598,241
Current Assets			
Contributions and Grants Receivable	(5)	39,253	723,530
Prepaid Expenses and other Debit Balances	(6)	384,215	434,457
Cash on Hand and at Banks	(7)	3,216,296	4,779,026
Total Current Assets		3,639,764	5,937,013
Total Assets		23,348,706	25,535,254
Current Liabilities			
Provisions	(8)	22,973	77,096
Accrued Expenses and other Credit Balances	(9)	196,125	240,559
Total Current Liabilities		219,098	317,655
Net Assets			
Unrestricted		7,728,552	8,026,432
Temporarily Restricted		1,448,606	3,271,726
Permanently Restricted		13,313,403	13,313,403
Total Net Assets		22,490,561	24,611,561
Non-current Liabilities			
Employees' End of Service Benefits		639,047	606,038
Total Non-current Liabilities		639,047	606,038
Total Liabilities and Net Assets		23,348,706	25,535,254

- The accompanying notes from (1) to (14) are an integral part of these financial statements.

- Auditor's report attached.



Director of Finance and Administration



Managing Director

Economic Research Forum (ERF) Statement of Activities and Change in Net Assets

For the Year Ended 31 December 2016

	Note	Unrestricted	Temporarily Restricted	Permanent- ly Restricted	Year Ended 31/12/2016	Year Ended 31/12/2015
		USD	USD	USD	USD	USD
Revenues and other Support						
Grants	(10)	-	711,960	-	711,960	1,860,848
Interest Income		29,540	-	-	29,540	39,170
Return on Investments		440,615	-	-	440,615	345,788
Other Income		5,514	-	-	5,514	19,395
Provisions no Longer Required		-	-	-	-	75,050
Gain from Sale of Fixed Assets		57,414	-	-	57,414	-
Realized Gain from Investments		47,903	-	-	47,903	9,046
Unrealized Gain from Investments		44,025	-	-	44,025	34,179
Total Revenues and other Support		625,011	711,960	-	1,336,971	2,383,476
Net Assets Released from Restriction		2,520,086	(2,520,086)	-	-	-
Total Revenues, Other Support and Net Assets Released from Restriction		3,145,097	(1,808,126)	-	1,336,971	2,383,476
Less: Functional Expenses	(11)	(3,324,526)	-	-	(3,324,526)	(4,010,796)
Less: Unrealized (loss) from Investments		(117,154)	-	-	(117,154)	(267,926)
Less: Realized (loss) from Investments		(1,297)	-	-	(1,297)	(21,668)
Change in Net Assets		(297,880)	(1,808,126)	-	(2,106,006)	(1,916,914)
Net Assets - Beginning of the Year		8,026,432	3,271,726	13,313,403	24,611,561	26,687,531
Net Assets Adjustments	(14)	-	(14,994)	-	(14,994)	(159,056)
Net Assets - End of the Year		7,728,552	1,448,606	13,313,403	22,490,561	24,611,561

- The accompanying notes from (1) to (14) are an integral part of these financial statements.

Economic Research Forum (ERF)

Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 USD	2015 USD
Cash Flows from Operating Activities			
Changes in Net Assets		(2,106,006)	(1,916,914)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows Provided from Operating Activities			
Fixed Assets Depreciation	(3)	143,004	196,004
Gain from Sale of Fixed Assets		(57,414)	-
Provisions	(8)	36,171	36,759
Provisions no Longer Required		-	(75,051)
Employees' End of Service Benefits		50,391	83,742
Realized (Gain) Loss from Investments		(46,606)	12,622
Unrealized Loss from Investments		73,129	233,747
Net Assets Adjustments	(14)	(14,994)	(159,056)
Net Assets before Changes in Assets and Liabilities		(1,922,325)	(1,588,147)
Change in Contributions and Grants Receivable		4,412,452	146,235
Change in Prepaid Expenses and Other Receivables		50,242	99,184
Change in Accrued Expenses and Other Payables		(44,434)	27,426
Cash Flows Provided (Used in) Operating Activities		2,495,935	(1,315,302)
Provisions Used During the Year		(90,294)	(15,063)
Employees' End of Service Benefits Paid		(17,382)	(5,885)
Net Cash Flows Provided from (Used in) Operating Activities		2,388,259	(1,336,250)
Cash Flows from Investing Activities			
Change in Investments		(3,987,197)	2,146,579
Payments to Acquire Fixed Assets	(3)	(50,947)	(82,888)
Proceeds from Sale of Fixed Assets		87,155	-
Time Deposits (Maturing Within Six Months)		(74,293)	-
Net Cash Flows (Used in) Provided from Investing Activities		(4,025,282)	2,063,691
Net Change in Cash and Cash Equivalent during the Year		(1,637,023)	727,441
Cash and Cash Equivalent - Beginning of the Year		4,779,026	4,051,585
Cash and Cash Equivalent - End of the Year		3,142,003	4,779,026
Cash and Cash Equivalent			
	Note	2016 USD	
Cash on Hand and at Banks	(7)	3,216,296	
Time Deposits (Maturing Within Six Months)		(74,293)	
		3,142,003	

- The accompanying notes from (1) to (14) are an integral part of these financial statements.