

Call for Proposals for a Virtual Conference on

“The GCC Economies in the Wake of COVID19: Charting the Road to Recovery and Resilience”

February 2021

The Economic Research Forum (ERF) and a consortium of a number of GCC universities and public policy institutions launched the GCC Economic Research Initiative (GCCERI) in May 2019. The aim of this strategic partnership is to build a network where GCC researchers and the wider ERF research community interact with each other, share ideas, and collaborate on policy-oriented research. GCCERI also seeks to enhance the research capacity in the GCC region by bridging knowledge gaps and addressing the region's major economic and human development challenges.

The GCCERI was inaugurated on 8 and 9 December 2019 at the College of Economics and Political Science, Sultan Qaboos University, Muscat, the Sultanate of Oman. The event represented the culmination of fruitful collaboration between ERF and the College of Economics and Political Sciences. The conference brought together more than 130 participants from senior policy and research community in the GCC region. In addition to plenary sessions, the event featured 16 papers that were selected from among 49 submissions. The authors of the 16 papers that were presented in the Conference were later invited to publish their work in the ERF working paper series following ERF's rigorous review process.

The ERF and its GCCERI partners are pleased to announce a call for papers to be presented at the second conference of the GCC initiative on **“The GCC Economies in the wake of COVID19: Charting the Road to Recovery and Resilience”**. The objective of the conference is to discuss the economic impact of COVID-19 on the GCC countries, identify the lessons learned from this pandemic, and explore policy responses that would improve the efficiency and resilience of the GCC economies going forward. Once again, the conference will be organized in collaboration with a host of GCC universities and public policy and research institutions. It will take place on a virtual platform in February 2021 with the exact dates to be communicated at a later stage.

This second conference underscores the commitment by the ERF and its GCCERI partners to nurture the initiative and establish it as a regular platform for knowledge-based research and policy dialogues. We invite you to share your research with our community and be part of its growth and success.

Context and background

The GCC countries have experienced relatively strong growth performance, low inflation and high investments for most of the last four decades. These achievements transformed their economies and brought their per capita incomes to levels equal to and in some cases greater than those in the G10 nations. However, the COVID-19 pandemic and the associated socio-economic

lockdowns have exacted a high price on both the lives and the livelihoods of people in all economies, developed, emerging and developing alike.

For the oil and import-dependent GCC economies, the pandemic containment measures have presented these countries with particular challenges. Precipitous declines in oil prices that reached in the midst of the pandemic their lowest levels in 17 years, coupled with disruptions in global supply chains have affected all parts of their economies and, importantly, disrupted their entire production and revenue-generating cycle including in such sectors as travel and tourism.

GCC Governments are currently laying the groundwork for an economic recovery, heeding the lessons of past experiences, and seeking to build a more efficient and resilient economy for the future. It is important to note that during the pandemic, all the GCC countries have taken stringent measures to contain the health impact of COVID19. They also introduced stimulus packages to help contain the economic fallout. In doing so, the GCC countries have successfully managed to safeguard the lives and the livelihoods of their residents. Looking ahead, the challenge is to ensure that the short-term impact of the pandemic does not translate into a long-term economic crisis.

GCC economic stimulus packages included direct injections of liquidity by central banks, interest rates cuts, loan and commercial rental deferments, reductions in government fees, and direct support to SMEs and sectors that have been most severely impacted by the lockdown measures such as retail, banking, air transport, hospitality and non-food manufacturing.

The GCC countries financed the high, unexpected expenditures on health and the costs of stimulating their economies through a combination of borrowing and drawing down their sovereign wealth funds (SWF). The medium to long-term welfare impact of these actions will depend on the trade-off between lost investment incomes from the funds and the cost of borrowing. Other factors complicate this trade-off, including the resilience and fragility of each economy, the degree of economic diversification and dependence on oil; the role that a large and stable SWF play in defining the cost of borrowing; and, finally, the duration of the pandemic and whether the resources will be used for temporary elevation or long-term structural change (**Bortolotti & Fotak, 2020; Kozhanov & Zaccara, 2020**). Sovereign Wealth Funds and the COVID-19 shock: Economic). In-depth studies, both theoretical and empirical, are needed to determine the best financing and investing strategy for each country.

The lower anticipated net inflow of income from both SWFs and financing debts will likely affect **the private sectors** and the non-oil sector and curtail expat jobs and remittances, which will negatively resonate across the whole of the Middle East region. Indeed, according to (**Bortolotti & Fotak, 2020; Kozhanov & Zaccara, 2020**), the pandemic has disproportionately affected foreign workers, raising questions regarding their health and working conditions, and likely affecting the GCC's long term ability to attract and maintain foreign labor. Reform plans would need to consider expanding the tax base, cutting subsidies, developing policies that aim to improve working conditions for migrants, and more efforts at economic diversification beyond

tourism, air travel, and entertainment, sectors that were hit hardest by the COVID-19 crisis (*Bortolotti & Fotak, 2020; Kozhanov & Zaccara, 2020*).

Credit constraints and a lack of access to finance will pose many critical challenges for GCC economies post-COVID-19. Yet, the COVID-19 pandemic has accelerated the proliferation and advancements of *financial technologies* that have opened new avenues for increased financial inclusion during social distancing and quarantine measures. While technological advances offer vast opportunities in these respects, they also pose risks to financial stability, cyber security, privacy and data protection.

Small and medium businesses in GCC countries, like elsewhere in the world, have been disproportionately affected by the COVID-19 pandemic. However, demographic realities in the GCC, and in particular the presence of large pools of expatriate SME entrepreneurs have made access to local sources of finance more difficult than elsewhere. SMEs in GCC account for more than half of most of the countries' GDP and are responsible for nearly seven in every 10 jobs. Now, more than ever, it is vital that SMEs are provided with the necessary financial backing to support their employees, their communities and to give hope to the millions of people who need them to survive. In this context, new fintech-based approaches can unlock finance for these companies and drive economic recovery once the pandemic has passed.

The GCC nations are adapting to changing global economic conditions, but numerous challenges remain, such as a still high dependence on energy sector related revenues in most states, and the ongoing reliance on the government sector to drive growth. Deeper private sector involvement must continue to be encouraged, whilst the public sector needs to become more efficient and transparent.

Call for proposals:

The foregoing analysis was prepared to help researchers focus their submissions on some critical issues GCC economies are facing. However, researchers are encouraged to submit proposals in other relevant areas they think GCC economies need to address. The critical issue in the submission is a focus on building the future GCC economies that are more efficient, diversified and resilient. With that in mind, the conference will be organized around the following themes:

1. Rethinking macroeconomic and fiscal policies, including managing fiscal deficits, debt sustainability, domestic and external debt issuance, and minimizing risks of crowding out private lending, expanding the tax base; and issues related to exchange rate management
2. Designing labor market policies in an emerging world of digitization and virtual/distant working and learning environments
3. Fostering digitalization-based financial innovation and financial inclusion
4. Improving government efficiency as a service provider and regulator in an increasingly virtual economy
5. Rethinking economic diversification strategies and the relative roles of private and public sectors in a world economy of declining global oil markets and emerging food security

concerns Assessing and responding to new emerging challenges in regional and international trade, tourism, healthcare and aviation industry. Highlighting the relationship between education and the economy within the framework of the COVID-19 pandemic and how it has become a pressing issue facing both academics and students

*The organizers welcome submissions of **proposals for research papers or completed draft papers or presentations** (to be developed into papers after the conference) on any topic of relevance to the GCC economic development and public policy issues, most notably the above topics.*

Guidelines for submissions of proposals

Authors should submit an original proposal of a maximum length of ten double spaced pages [excluding appendices, tables, figures and references].

Proposals should be structured so as to contain sections in the following format. ERF reserves the right to exclude proposals that are not consistent with these guidelines:

1. *Statement of the research problem:* A clear and concise description of the nature and importance of the proposed research, its scope and boundaries, its general context, and its objectives, with explicit reference to feasibility and policy relevance.
2. *Value Added:* A selective and analytical review of the relevant literature, with a view to both demonstrating knowledge of prior theoretical and empirical work, as well as identifying the knowledge gap that the proposed research seeks to address.
3. *Conceptual Framework and Research Methodology:* A clear statement of the conceptual framework should be provided, elaborating on the set of specific, identifiable and concrete questions for which the proposed research intends to answer. This is to be followed by an elaboration of the research methods to be employed and why they are best suited to answer the research questions. This section should also indicate the nature of the information required and the data collection techniques, whether primary or secondary or a combination of the two. Finally, it should explain how the information will be analyzed and interpreted using quantitative and/or qualitative methods.
4. *References:* A list should be attached to the proposal specifying the suggested references to be used in writing the proposed paper(s).

Guidelines for submissions of Papers/Presentations:

A complete version of the presentation or paper on a relevant topic should be submitted.

Important notes:

- *The proposal/paper/presentation should NOT include the authors' names, as it will undergo a blind review process.*
- *The proposal/ paper/presentation can be submitted in English or Arabic.*
- *Papers featured during the virtual conference will be considered for publication in the Economic Research Forum working papers series*

Eligibility and Evaluation

- Researchers should have expertise in the topic being researched.
- Researchers from disciplines other than economics may apply.
- At least one of the main researchers should be a GCC national or working at a GCC-based university or economic policy research institution.

All proposals and outputs will be peer reviewed. Authors of accepted proposals will be requested to respond to comments of the reviewers.

In addition, the refereeing committees will make nominations to select the most distinguished papers for the Best Paper Award in their respective category.

The conference will also feature a student chapter where students can present posters or give presentations in relation to the theme of the conference.

Important Dates

- Deadline for submission of the research proposals/papers/presentations: **January 20, 2021**
- Announcement of accepted research proposals: **January 31, 2021**
- Submission of final papers: **First week of February 2021**
- Conference to present the papers: **Two days during the Fourth week of February 2021**

To submit your proposal/paper/presentation, please fill in the following form:

<https://erf.org.eg/the-gcc-economies-in-the-wake-of-covid19-charting-the-road-to-recovery-and-resilience-submission-form/>

For queries, please contact Faiza Jafar at fjafar@erf.org.eg.

References:

Bortolotti, B., & Fotak, V. (2020). Sovereign Wealth Funds and the COVID-19 shock: Economic and Financial Resilience in Resource-Rich Countries. *SSRN Electronic Journal*.
<https://doi.org/10.2139/ssrn.3665993>

Kozhanov, N., & Zaccara, L. (2020). *Navigating Troubled Waters: Experts' Views on GCC Challenges for Socio-Economic Recovery in the Post-Covid-19 Period* (Gulf Insight Series). Gulf Studies Center.
<https://qspace.qu.edu.qa/bitstream/handle/10576/15886/Gulf%20Insights%2030.pdf?sequence=1&isAllowed=y>