A Word from the Managing Director

Ahmed Galal

Facilitating the Exchange of Ideas
Q & A with Ravi Kanbur
In Focus: Pulse of the Arab World

Research Activities
Update on Research Activities

Network and Capacity Building
Call for Nominations
Training Workshops

Communications and Outreach
Recent Events
Upcoming Events
Book Review: The Jordanian Labor Market in the New Millennium
Latest Publications
ERF Board of Trustees

Abdlatif Al-Hamad (Chairman)
Arab Fund for Economic and Social Development (AFESD) Kuwait

Hassan Aly
Ohio State University, USA

Ragui Assaad
University of Minnesota, USA

Mouna Cherkouki
University Mohamed V, Morocco

Shantayanan Devarajan
The World Bank, USA

Hadi Esfahani
University of Illinois, USA

Benjamin Frey
Swiss Agency for Development and Cooperation, Switzerland

Samir Makdisi
American University of Beirut, Lebanon

Susanne Szabo
International Development Research Center (IDRC), Canada

Aysit Tansel
Middle East Technical University, Turkey

Subidey Togan
Bilkent University, Turkey

Mona Zulficar
Zulficar and Partners Law Firm, Egypt

ERF Advisory Committee

Ali Abdel Gadir Ali
Arab Center for Research and Policy Studies

Touhami Abdel Khalek
L’Institut National de Statistique et d’Économie Appliquée (INSEA)

Izak Atiyas
Sabanci University

Mongi Boughzala
University of Tunis El Manar

Meltem Dayioglu-Tayfur
Middle East Technical University

Bernard Hoekman
European University Institute

Kamir Mohaddes
University of Cambridge

Paul Schultz
Yale University

Jackline Wahba (Chairman)
University of Southampton

Staff

Management

Ahmed Galal
Managing Director

Marwa Afifi
Executive Assistant to the Managing Director

Research

Hala Abou-Ali
Project Leader (Part-time)

Hoda El Enbaby
Researcher

Niveen El Zayat
Senior Statistician

Yasmine Fahim
Senior Programs Officer

Yasmine Fekry
Statistician

Rana Hendy
Economist

Maryse Louis
Program Manager

Ramage Nada
Program Assistant

Aalaa Nada
Program Assistant

Heba Omar
Research Assistant/Statistician

Hoda Selim
Economist

Christian Wissa
Consultant

Chahir Zaki
Economist (Part-time)

Communications

Sherine Ghoneim
Director of Communications

Hoda Azmi
Conference Manager

Dina Mannaa
Communications Assistant

Namees Nabeel
Communications Manager

Administration and Finance

Mohamed Youssri
Director of Finance and Administration

Mohamed Aladdine
Accountant

Anais Hagopian
Senior Administration Officer

Sherif Osama
Senior Accountant

Rana Saied
Administrative Assistant

Editor: Sherine Ghoneim
Design and Layout: Namees Nabeel
Forum is published twice a year.

ERF Editorial offices are located at
21 Al-Sad Al-Aaly Street, Dokki, Giza, Egypt.
Tel: (202) 33318600 Fax: (202) 33318604
Email: erf@erf.org.eg
Website: www.erf.org.eg
A Word from the Managing Director

Striving Towards the Future

In 2015, the region may agree on a new political, economic, social and development agenda. Closer to home, at ERF, we see the need for high quality independent research to inform the policy process strategically becoming greater than ever before. Therefore, in 2015, ERF will see a transition into promoting cutting edge research training and communications as well as continue to nurture new ideas, building new relationships and linking different perspectives.

At ERF, we want our research work to make a difference. We want to work with our community and partners to connect different perspectives to provide a credible basis for change.


Striving for excellence continues to be a key strategic aim for ERF. This issue also reflects on the busy and constructive year at ERF as we continue to strengthen research capacity, expand our network and contribute to economic development policy and practice.

Please let us have your feedback so that we can serve our community better.

Sincerely,

Ahmed Galal

Managing Director
ERF present in full force at the

17TH World Congress of the International Economic Association (IEA)
June 6-10, 2014, Amman, Jordan

ERF is delighted to have been a partner at this unique event organized by the International Economic Association (IEA). ERF had the privilege of coordinating a total of four policy sessions at the congress, two of which were high-level policy sessions, bringing together a select group of the region’s prominent researchers and policy-makers. The other two served as platforms for discussing the results of some of ERF’s recent top-notch research.

“The Dilemma of Subsidy Reform and Equity in MENA” was the first high-level policy session that took place as part of the opening ceremony. The session highlighted the underlying challenges in subsidy reform models, especially in light of political and economic changes; bridging research and policy perspectives. Chaired by Ahmed Galal, ERF, the session explored the Iranian experience with energy subsidy, the pros and cons of the Jordanian subsidy reform plan, Egypt’s phased-out energy subsidy reform agenda and finally lessons learned from a global perspective on energy subsidy reform, especially in developing countries.

The second high-level policy session ERF organized was on “The Challenges and Dilemmas of Policy Making after the Arab Spring”. The session raised the issue of governments’ response to the emerging challenges in the post Arab spring era to ensure sustainable economic prosperity and secure social stability. The session, chaired by Basem Awadallah, Tomoh Advi-
sory, was both panel and audience rich. It explored the importance of structural transformation in both the economy as well as in politics and emphasized how political transformation can drive economic reform and structural transformation. The speakers engaged in an insightful discussion on economic and political decision-making to drive economic reform and structural transformation in the region.

The other 2 sessions covered interesting topics that are of regional priority, namely, “The Political Economy of Change in the Middle East – What is Driving Change?” and “Inequality of Opportunity in The Middle East”.

A selection of papers will be part of a special volume that IEA will be producing soon on Middle East economies, and will be co-edited by Ishac Diwan and Ahmed Galal. Access more on conference sessions and papers through the ERF Roster at the IEA2014.
Q & A with Professor Ravi Kanbur

The Evolution of Thinking About Development

RF keeping in tune with changing economic thought on development strategies and policies has interviewed Ravi Kanbur to solicit his views at this critical juncture in the history of the Arab World.

Ravi Kanbur researches and teaches in development economics, public economics and economic theory. He is well known for his role in policy analysis and engagement in international development. He is also ranked in the top 0.5% of academic economists in the world.

What in your opinion are the main shifts in thinking about development economics over the past century or so?

There are great constants and great shifts, in equal measure. The single great constant is the ever present tension and debate between “market” and “state” oriented development strategies. We may think that these debates are new, but they were present at the dawn of development economics as a separate sub-discipline in the 1940s and 1950s.

However, there are great shifts too, relative to the 1940s. Here are three, in no particular order. First, the “market versus state” debate has been complicated by the emergence of civil society, sometimes called “the third sector” in developing countries as a major player in the realms of ideas and of implementation. Second, the dominance of the nation state as the fulcrum of development policy has come under threat from globalizing forces on the one hand and sub-national decentralizing forces on the other. Third, with the emergence of a group of fast developing countries, the traditional “colonial” center-periphery model of development and the spread of development ideas is now under question.

They are reflected, for example, in the debates between Arthur Lewis, who of course went on to win the Nobel prize in economics, and Sydney Caine, head of the Economic Division of the Colonial Office in Britain in the 1940s. Indeed, the situation got so bad the Lewis resigned from the Colonial Economic Advisory Committee, saying in a confidential memo that Caine “is a religious devotee of laissez-faire, and his headship of the Economic Department at this juncture is fatal. . . . [his approach] is fatal not only in the decisions he makes, especially on secondary industry, on marketing and on cooperative organization, but also in the appointments he recommends to important jobs in the Colonies, for which he chooses almost invariably people as laissez-faire as himself.”

They are reflected, for example, in the debates between Arthur Lewis, who of course went on to win the Nobel prize in economics, and Sydney Caine, head of the Economic Division of the Colonial Office in Britain in the 1940s. Indeed, the situation got so bad the Lewis resigned from the Colonial Economic Advisory Committee, saying in a confidential memo that Caine “is a religious devotee of laissez-faire, and his headship of the Economic Department at this juncture is fatal. . . . [his approach] is fatal not only in the decisions he makes, especially on secondary industry, on marketing and on cooperative organization, but also in the appointments he recommends to important jobs in the Colonies, for which he chooses almost invariably people as laissez-faire as himself.”
Does the shift in thinking about development explain the move towards focusing on inequality of opportunity or is this a misplaced emphasis?

The “equality of opportunity” versus “equality of outcomes” debate is also as old as the hills. Philosophers have been debating it for a very long time, and in modern times at least since the writings of Ronald Dworkin. Critics like Richard Arneson have pointed out the basic conceptual difficulties in trying to separate out opportunity from outcome. More recently, there have been attempts in the World Bank and elsewhere to quantify “inequality of opportunity” building on the work of John Roemer. Adam Wagstaff and I have critiqued these attempts. We have argued that it almost impossible empirically to satisfactorily separate out a pure opportunity component of inequality. Further, even conceptually the method makes all sorts of assumptions, for example classifying inequality of outcomes due to bad luck (like a negative health event) as NOT being part of “inequality of opportunity” and thus not being legitimate target for policy intervention. The method has the danger of understating the degree of inequality which needs to be addressed in society.

How should the current model of development assistance change in light of the fact that most of the world’s poor live in middle-income countries (MICs)?

A center-piece of the current development assistance architecture is the idea of “graduation” from concessional development assistance when a country crosses a threshold of per capital gross national income. Although there are variations, the thresholds kick in roughly at the low-income countries (LICs)/middle-income countries (MICs) divide. This is an architecture for the world of fifty years ago, and much of our thinking is also conditioned by this view. The idea of a close link between a person being poor and his or her country being poor is deep rooted in the development discourse. But if poverty persists in huge numbers despite graduation from LIC to MIC status, that is no graduation at all. Rather, the focus should be on the inequality in MICs which leads to poverty despite rising per capita incomes. I have argued that the graduation criteria are too sharp, and that concessional development assistance focused on poverty and inequality should continue beyond current graduation thresholds.

Do you believe that the development agenda pursued by the International Financial Institutions is consistent with the needs of developing countries?

There are two points to make here. First, agencies like the World Bank have an ever decreasing financial clout and thus financial influence. The infrastructure budget of even a province in China can exceed the total financial support of the World Bank to the country as a whole. The relationship with a country like India has been transformed. A quarter century ago, GDP was much lower and there were severe foreign exchange constraints, so World Bank financial assistance was crucial. The situation is now changed, almost to the point of financial irrelevance of the resources of the World Bank.

Second, agencies like the World Bank and the IMF can still have an influence through their convening power and their influence in the world of ideas. However, (i) even here voices from the South are gaining greater prominence and (ii) there have been significant shifts in thinking in the World Bank and the IMF in the last 20 years. Who would have thought that the IMF would have been arguing for fiscal expansion after the crisis, and that IMF research would be in the forefront of showing the negative impacts of inequality on growth! There is still a long way to go, but we should not be stuck in a view of the IFIs thinking from two decades ago.
During the “market versus state” debate, civil societies have taken on an increasing role in providing public services. Can civil societies replace the role of the state in implementing development strategies?

As I noted above, a major shift in development thinking is indeed the broadening of the conventional market versus state discourse to take into account the role of civil society. This is important and crucial, but I do not think civil society is a substitute for the state. Sure, there is some implementation that can be better done by civil society organizations and, very importantly, they have a central role to play in making the voices of the poor and vulnerable heard, but there are some things that only the state can and should do. Let me illustrate this with what is known in the literature as “the Bangladesh paradox”, which is that despite having very low ratings for its state institutions from standard sources such a Transparency International, Bangladesh performs very well on social indicators such as girls schooling. Some analysts put this down to the successful and vibrant Bangladeshi civil society, of which the prominent Grameen Bank is only one example. There is no doubting the vitality of civil society in Bangladesh, but we must also look at the enabling environment of laws, regulation and infrastructure which complements their functioning. There is of course huge room for improvement on the part of the state, but I think we would do well to look at state and civil society as partners rather than substitutes.

What can the MENA region learn from the Asian and Latin American experiences in lowering inequality?

In fact, the Asia experience is by large one of rising inequality in the last twenty years. If anything, Asia should learn from Latin America. I look at it in terms of a simple framework where market income is asset times rate of return on the asset. The asset can be physical such as capital or land, or it can be human starting with unskilled labor going through different levels of human capital incorporating education and good health. This market income is then modified by taxes and transfers to give the income whose inequality we all care about. Three things determine final inequality—inequality of assets, inequality of rate of return to the assets, and the progressivity of the overall tax-transfer regime.
Global trends in technology are dis-equalizing rates of return to assets—between capital and labor, and between labor of different skill levels. Globalization of trade and investment is transmitting these trends to all countries. A business as usual scenario will thus increase inequality. The answer to this is not to stand against the global tide of technical progress, which is neither feasible nor desirable, but to equalize the distribution of assets, particularly human assets, through purposive policy actions. In fact this is what Latin America has done through massive conditional cash transfer programs which on the one hand have transferred income to the poor, but on the other hand have done so by incentivizing acquisition of human capital. The overall effect has been to stem the tide of rising inequality to an extent that the mantle of “growth with equity” has moved from East Asia to Latin America. I believe this is the lesson which the Latin American experience teaches the world.

What do you think about the recent book “Capital in the Twenty-First Century” by Thomas Piketty?

Perhaps more striking than the book is the phenomenon that the book has become! The book itself is based on a long running exercise in data gathering by a group of economists including Piketty, Atkinson, Saez, Alvaredo and others, and this aspect of the work is magisterial. I am also sympathetic to Piketty’s argument that economists should be open to a number of sources of information, including contemporary novelists such as Jane Austen in England and Balzac in France, whose writings reflected the society they saw around them.

The theorizing developed in the book has been criticized as being incomplete. For example, the empirical work on inequality incorporates financial wealth, while the conceptual framework relates output to labor and physical capital in the usual way. It also seems to go against a number of theory models which would predict an eventual decline in inequality. Finally, the “grand” policy prescription of a global wealth tax has also been criticized as being somewhat utopian.

These criticisms aside, the book has clearly touched a nerve, and its success is a reflection of the great concern about rising inequality that is felt the world over. It is this concern which I believe should guide economists’ research in the coming years, and for that reason I believe this book will be referred to for a long time to come.
The Pulse of the Arab Street
by Ishac Diwan

At ERF, we believe that research knowledge can drive change. We believe that critical thinking can unveil new trends to support evidence based policy. We do take care and pride in carefully selecting our research topics and areas.

What do ordinary Arab citizens, in various parts of the region, think about inequality, democracy, or the benefits of competition? How are their values evolving on issues such as the family, gender relations, or thrift? Are there particular areas of grievances, and what do they expect from their government? Have the uprisings affected opinions on important political of economic matters?

These and many similar questions are receiving increased attention as society, which was rediscovered in the wake of the uprisings of 2011, becomes a subject of intensive interest in research and policy circles.

We all learn a lot from taxi drivers in Middle Eastern capital about these issues. But are there more scientific ways to capture popular opinions? The ERF project The Pulse of the Arab Street proposes to use quantitative techniques and opinion polls to help answer some of these questions, trying to test the relevance of various political economy and socio-economic models and hypotheses that relate social change, political developments, and economic outcomes.

Opinion polls, such as the World Value Surveys, Gallup, the Arab Barometer, and others, allow for the characterization of values and attitudes at the micro-levels across countries, time, and social groups (such as individuals with different levels of income, education, age, gender, location, piety, or occupation). In the last few years, increasingly rich data-sets have become available. For example, the World Value Survey just released its sixth wave, and beside 80 countries from around the world, similar questionnaires have been administered in 10 Arab countries, in statistically representative ways. The areas covered by these opinion-polls are wide and go from economics, politics, civic engagement, gender relations, social relations, availability of services, opinions about institutions, to individual values.

The workshop organized by ERF at Dauphine University, in association with Silatech and the Dreem network at Dauphine, brought together 40 participants to discuss twelve creative papers on the themes of: grievances and aspirations before and after the Arab Uprisings; the constitution of mass protest; patriarchy and gender, and religion and politics (see project papers and blogs below). The workshop included researchers entering this field who are keen on learning and innovating, as well as veteran academics in the field, such as Mark Tessler (one of the initiators of the Arab Barometer), Mansoor Moaddel, or Christian Haerpfer (President of the World Value Association) and Bi Puraren.

Some of the salient questions that emerged from the discussions were about: the emergence of a liberal silent majority in the region through a bottom up process driven by the rise in self expression, the expansion of education, and the globalization of culture; the importance people attach to human security and stability, and related, the need to understand better the motives of “security democrats” people who want security and strong rule in the short term, but democracy in the long term; the rise in polarization and social intolerance, especially in multi-group societies, and the process of polarization when there was a power vacuum; and how the
Facilitating the Exchange of Ideas | In Focus: The Pulse of the Arab Street

yearning for democracy and the support for political Islam have held up post Uprisings.

This was the second meeting of this group, and it has grown. The project will now move to a second phase, continuing to work on some of the same themes, and moving into new areas with more emphasis on gender issues, human security, conflict in multi-group countries, and social polarization. There are plans to train young researchers in statistical technique for opinion surveys, to work at assembling meta-data-bases (a proposal made by Mark Tessler), and to form a working group to work with institutions such as the World Value Survey in shaping the content of questionnaires in the future.

Project papers

Al Ississ, Mohamed and Ishac Diwan, After the Uprisings – the transformation of public opinions

Al-Ississ, Mohamed and Samer Atallah. Diffusion of Dissidence in Arab Public Opinion.

Desai, Raj, Anders Olofsguard, and Tarik Yousef, Exclusion and Dissent: Explaining Political Action Among Youth.


Cammett, Melani and Nisreen Salt. Memories of Redistribution: Welfare legacies and Political Attitudes and Behavior.

Klugman, Jeni and Ishac Diwan, Patterns of Veiling: Some Emerging Correlations from Gallup World Poll.


Nugent, Jeffrey. Socio-political Attitudes Across the World: To What Extent Are They Affected by One’s Religion, Its Importance, Majority Status and Relative Income?

Salem, Rania. Gendering the Costs and Benefits of the Arab Uprisings in Tunisia and Egypt Using the Gallup Surveys.

Tzannatos, Zafiris and Ishac Diwan. Returns to Education and Civil Servants Pay.

Tessler, Mark. Mapping and Explaining Attitudes toward Political Islam among Ordinary Citizens in the Middle East and North Africa.

Vodopyanov, Anya. Loyalty and Exit from the Authoritarian Economy: What Public Attitudes Towards Regime Distributive Politics Can Tell us about Contention During the 2011 Uprisings.

List of Blogs

The Pulse of the Arab Streets

Did the Arab Spring Experience Change Political System Preferences? No and Yes, According to Arab Barometer Opinion Surveys by Mark Tessler

Unleashing the contagious effect in dissidence in MENA

Gendering the Costs and Benefits of the Arab Uprisings in Tunisia and Egypt by Rania Salem

How much was education paid in Arab labor markets in 2011? by Zafiris Tzannatos

Does mobilization relieve individuals’ sense of grievance or is it exacerbating?

Shifting political economies of grievances: the generation of state cutbacks comes of age by Nisreen Salti and Melani Cammett
since the last edition of the forum, ERF has been busy initiating new research activities dealing with several areas including research competition on Reforming the Pension Systems in the ERF Region, call for proposals on Education in the ERF Region, and an open call for The Use of the Online Labor Market Panel Surveys Data. In addition, ERF launched 14 new research projects under various themes.

Reforming the Pension Systems in the ERF Region

Researchers were encouraged to examine social security and inter-generational inequality; social security and inequality between formal and informal workers; social security, public finance and financial sustainability; social security, incentives and employment. ERF received six proposals that are currently being screened by a refereeing committee.

Education in the ERF Region

As part of the 15th Round of the ERF-GDN Regional Research Competition, the call focused on a number of key issues such as: Linking student performance with teachers incentives/management pecuniary and non-pecuniary incentives; Evaluating the performance of public vs. private education institutions; Assessing the relationship between educational outcomes and the governance structure of education institutions; Examining the impact of decentralization experiences on education outcomes; Assessing public spending on education; and Assessing the policy of free education. ERF received 10 proposals which are currently being reviewed.

The Use of the Online Labor Market Panel Surveys Data

ERF has substantially invested in collecting Labor Market Panel Surveys and has made these data sets publicly available to researchers through the ERF data portal www.erfdataportal.com. Capitalizing on the datasets currently available online from three waves of the Egypt Labor Market Panel Survey (ELMPS) carried out in 1998, 2006 and 2012 and one wave of the Jordan Labor Market Panel Survey (JLMPS) carried out in 2010, ERF invited researchers to use this valuable data resource to enhance our understanding of a variety of labor market challenges and issues relevant to the region. ERF received 9 proposals and the refereeing process is underway.

ERF Launches the Higher Education Graduates Survey (HEGS)

Under the umbrella of the Open Access Micro Data Initiative (OAMDI), ERF has been particularly busy launching new datasets, establishing new partnerships, revamping existing surveys and widely disseminating new ones.

ERF updated 17 data sets to a more sophisticated level of harmonization, upgraded the sample of one data set to 100 percent of the originally collected survey sample, launched (HEGS) on November 15, 2014 and established partnership with the Cross-National Data Center in Luxembourg to avail their Luxembourg Income Study Database (LIS) to ERF Fellows.
New Research Projects

All projects typically address a timely policy relevant issue and are selected on the basis of clear selection criteria and a thorough external review process. Details of the 14 new projects are listed below under their relevant thematic umbrella:

Political Economy of Transformation in the Arab Region

Given the events in the region over the past four years, this is a very timely and significant theme with four new research projects covering the following:

- Political Connections and Public Procurement in Turkey: Evidence from Construction Work Contracts, Esra Çeviker Gürakar & Tuba Bircan Ildiri and Umut Güněği
- State Capture: Evidence from Tunisia, Hassan Arouri, Leila Baghdadi and Bob Rijkers
- Is there a MENA variety of Capitalism? Steffen Hertog
- Moroccan Cronyism and Economic Growth, Saadi Med Said

Equity and Inequality

The theme is once again coming to the fore, as political changes and turmoil in the many countries of the region have their toll on poverty and inequality. Seven new projects under this theme are:

- Inequality of opportunity in income and consumption in Egypt, Jordan, and Tunisia, Ragui Assaad, Rana Hendy, Caroline Krafft, John Roemer, and Djamal Salehi-Isfahani
- The Distributional Effects of Trade Policy in Tunisia, Leila Baghdadi, Inmaculada Martínez-Zarzoso and Habib Zitouna
- A comparative Study of Pro-poor Growth in Three MENA Countries, Ali Hashemi
- Decomposing Income Inequality in Tunisia and Egypt, Yosr Abid, Cathal O’Donoghue and Denisa Sologon
- Social Transfers and Income Inequalities in Egypt and Jordan, Youssef Beshay and Nyasha Tirivayi
- Late-Life Living Arrangements and Intergenerational Ties in Egypt. Elderly Socio-economic Conditions from Labor Market Surveys, Aurora Angelli
- 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

Labor, Employment and Human Resource Development

This continues to be one of ERF’s strongest themes with a very rich new project with research work organized around six interlinked areas; namely employment dynamics, migration and occupational mobility, dynamics of unemployment, household enterprise dynamics and dynamics of informality, at the forefront, with a leading project:

- Labor Market Dynamics in MENA, Ragui Assaad

Natural Resources and Economic Diversification

This is a relatively new theme to ERF that has covered very relevant areas over the past 5 years. A new project is planned under this theme to be initiated by end of 2014 on Sovereign Wealth Funds: Stabilization, Investment Strategies and Lessons for Oil-rich Arab countries.

The project will address some key positive and normative dimensions of the issues arising from the new challenges and opportunities facing sovereign investors, especially SWFs. The issues considered relate to domestic and foreign economies alike, with the ultimate objective of gleaning lessons for the Arab world, including for countries that have already established SWFs as well as those that have not.

The project will focus mainly on three key areas, SWFs and their links with fiscal policies and country Features; Macroeconomics of SWFs and their Relation to Fiscal Policies; SWF Investment Policies and Practice.

A proposal was commissioned and after a round of internal review, it was presented to the Scientific Committee. It is currently undergoing external review.
One of ERF’s main strengths over the past 20 years lies in its extensive network. With 293 affiliates from across 20 countries, ERF’s influence extends well beyond the region. Over the past 20 years the collaboration between affiliates residing in the region and those outside has on the one hand enriched the network and on the other hand given ERF researchers a voice in the international arena. Strengthening and expanding the network is indeed a key strategic aim for ERF.

Call for Nominations

Research Fellows are invited to nominate new Research Associates and/or Research Fellows to join the ERF network no later than December 15, 2014.

The nomination process is as follows:

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

Nominated candidates for the Research Associate category should meet the following criteria:

- The candidate should originally be from the ERF region.
- The candidate must have a PhD in economics or closely related fields.
- The candidate should be a promising researcher in economics or closely related fields.
- The candidate should have completed no more than 10 years after obtaining their PhD at the time of appointment.
- Active participation in ERF activities is desired.

Nominated candidates for the Research Fellow category should meet the following criteria:

- The candidate should originally be from the ERF region.
- The candidate must have a PhD in economics or closely related fields.
- The candidate should currently be an active researcher in economics or closely related fields.
- The candidate must have at least two articles published in refereed journals cited in the Social Science Citation Index (SSCI) or equivalents in languages other than English.
- Active participation in ERF activities is desired.

Please send your nominations to Sherine Ghoneim (sghoneim@erf.org.eg) along with the contact information of the nominees by December 15, 2014.
Capacity Building - Training Workshops

ERF is fully committed to supporting next generation of economists and development champions. Deploying latest technologies and methodologies, ERF organized two training workshops as follows:

Training Workshop on 
Macro-econometric Modeling 
with a Global Perspective

August 10-12, 2014, Cairo, Egypt

This workshop typically helps researchers develop proposals that ask policy relevant questions while ensuring that these proposals are implemented using rigorous techniques. This year, the training facilitated by Atif Kubursi brought together 12 young researchers and focused on microeconomics research proposals.

Training Workshop on 
Writing Winning Research papers and Proposals

September 28-29, 2014, Tunis, Tunisia

The workshop covered different techniques used in time series macro-econometrics. It convened some 20 researchers and was facilitated by Alaa El-Shazly and Kamiar Mohaddes over a three day period. Participants will be writing a paper applying these techniques to deliver in three months from the end of training. The paper will be subject to refereeing process and, if approved, published in the ERF Working Papers series.

It was a perfect training, I would like to participate next time...
Thank you for inviting us to the workshop, I did benefit from it.

Participants of the workshop on Writing Winning Research papers and Proposals together with Atif Kubursi
Recent Events

Providing an effective platform for networking and exchange of ideas is key to ERF’s mission. ERF has been particularly active organizing several workshops, seminars and panel sessions on a multitude of topics.

Workshop on Labor Market Institutions and Labor Market Performance and Outcomes
May 25, 2014, Cairo, Egypt

This workshop is part of a larger body of work under the Labor Markets and Human Resource Development theme. The workshop primarily discussed five papers pertaining to the impact of labor market regulations on informality, employment, as well as gender and labor market dynamics.

Seminar on The Jordanian and Egyptian Labor Markets in a New Era
June 5, 2014, Amman, Jordan

ERF held this seminar in celebration of the launch of the Jordanian Labor Market in the New Millennium book published by the Oxford University Press. The seminar comparatively tackled cross-cutting issues in both the Jordanian and Egyptian labor markets, including labor market structure and dynamics in the two countries, gender issues in the labor market, a comparison of job accessions, separations and mobilities, and a comparison of labor supply and the role of the youth bulge. The celebrated book volume is part of a collection, considered as the first to analyze the results of the Jordan Labor Market Panel Survey of 2010 (JLMPS 2010), a major household survey of labor market conditions carried out in Jordan by ERF.

Workshop on Barriers to Structural Transformation in North Africa
June 18-20, 2014, Accra, Ghana

Organized as a special parallel session during the GDN’s 15th Annual Conference on Structural Transformation in Africa and Beyond. The session attempted to explain the reasons behind the disappointing structural transformation outcomes in the region and to what extent overvaluation has hindered firm-level exports in North African economies in the last few decades. It also discussed how politics shaped industrial policy outcomes and how crony alliances contributed to promoting economic and social exclusion.
Workshop on
The Economics of Informality in the ERF Region

August 31, 2014, Cairo, Egypt

Structured within the 14th Round of the Regional Research Competition supported by the Global Development Network (GDN), the workshop provided a venue for peer review and feedback for the eight projects selected for funding. ERF had received thirteen proposals tackling different issues related to: the relationship between poverty and inequality, self-employment and earning gaps, the pros and cons of formalizing informal MSMEs, MSEs informality and productivity, and trade liberalization and informal credit.

The workshop featured a policy session to discuss the various policy options to move from informality to formality and the respective means of implementation.

Workshop on
The Pulse of the Arab Street

October 11-12, 2014, Paris, France

Organized in collaboration with the Universite Paris Dauphine and the International Research Network (GDRI) of the CNRS (National Center For Scientific Research) the workshop on Understanding the Political Economy of the Arab Uprisings Using Novel Public Opinion Data convened the authors and prominent experts for peer review and feedback. Key messages emerging from the research work so far can be accessed directly through the erfblog.

Workshop on
Monetary and Fiscal Institutions and Macroeconomic Management in Resource-rich Arab Economies

October 25-26, 2014, Cairo, Egypt

Building on findings from a previous phase of research on the implications of oil wealth on growth and macroeconomic policies, ERF has initiated new work on “Institutions and Macroeconomic Management in Resource-rich Arab Economies” along two interlinked dimensions; the Institutional Requirements for Optimal Monetary Policy in the Resource-Dependent Arab Economies, and Fiscal Institutions and Macroeconomic Management in Resource-Rich Arab Economies. In this workshop authors presented the first drafts of their research work out of both projects and received feedback to improve the draft papers.
Seminar on: Future Egypt
November 14-16, 2014, Ain Sukhna, Egypt

Media is a key player in the policy making process. In recognition of this role ERF convened a three day media seminar bringing together policymakers, thought leaders and experts with press and media to discuss, debate and link perspectives of critical importance to the immediate and long term future of Egypt. A rich agenda covering socio-economic and political issues of concern was subject to discussion. More than fifty prominent stakeholders took part in the deliberations. The event attracted extensive press coverage.
Upcoming Events

Training Workshop for National Statistical Agencies Staff
December 5-7, 2014, Cairo, Egypt

In celebration of the 100th anniversary of Egyptian Official Statistics and the 50th anniversary of the foundation of CAPMAS, ERF in partnership with CAPMAS will be organizing two workshops for 50 participants from the National Statistical Agencies of the Arab countries. The first training will focus on Sampling, Data Collection and Dissemination, the second on Statistical Analysis of Panel Data. These workshops are part of the capacity-building activities under ERF’s Open Access Micro Data Initiative (OAMDI).

Live Debate on Growth versus Equity
December 10, 2014, Cairo, Egypt

Be it resolved that the economics of growth and job creation is a more urgent priority than the politics of equity. For some the answer is obvious. What Arab transition countries need most urgently is growth in order to create jobs and generate public resources to increase productive social spending (including health, education and infrastructure). Growth is seen as a necessary condition to reduce poverty and improve equality. Others argue that the current socio-political context dictates that equity concerns should be the priority goal as equity-enhancing policies can boost social cohesion and reduce political conflict. In addition, the focus on such policies can promote growth. To advance this public policy debate, the motion that “the Economics of Growth is a More Urgent Priority than the Politics of Equity” is put forward.

ERF Annual Conference on Democracy and Economic Development
March 20-22, 2015, Tunisia

The choice of the main theme of the conference is prompted by two observations: First, several countries in the region are engaged in a messy democratization process; Second, the causal relationship between democracy and economic development (and reverse causation) is anything but clear and conclusive. Democracy is indeed important in its own right. As Churchill famously remarked “…. [it] is the worst form of government except all the others that have been tried”. We also know that all rich and advanced countries are democracies. The problem is that the transition to democracy is associated with high levels of uncertainty, economic difficulties and rising popular demands. Failing to manage this transition can be costly and may jeopardize the transition process altogether. Beyond the transition, both theory and empirical evidence are inconclusive when it comes to the impact of democracy on economic growth and distribution, on the one hand, and the impact of growth and distribution on democracy, on the other. For more on the upcoming ERF annual conference, follow our website: www.erf.org.eg.
This volume, which is based on a new dataset compiled in 2010, is the most up to date and detailed analysis of Jordanian labor market collected in one volume. The dataset is the first stage of the Jordan Labor Market Panel Survey (JLMPS) which is meant to be repeated periodically to form a longitudinal dataset tracking labor market and demographic trends in time. The papers in this volume provide a flavour of the rich information contained in the dataset. Though the 2010 survey is still no more than a cross section dataset, by using retrospective questionnaires the contributors also highlight important historical labor market trends to the extent permitted by the data.

In the first chapter Ragui Assad examines the structure and evolution of employment while making comparisons with the case of Egypt and also checking the consistency of the data with quarterly survey of employment and unemployment (EUS) by the Jordanian Department of Statistics (DOS). The chapter contains a wealth of new information on trends in employment disaggregated by gender, education, occupation, and employment type, etc relying on rich retrospective information contained in the JLMPS. Amongst other things, the paper highlights the rapid decline in share of government employment since the early 1990s during the economic reform period. It is shown that in contrast to the case of Egypt where the decline in the share of government wage employment was associated with a rapid rise in the share of informal employment, in the case of Jordan this was associated with the increase in the share of employment in the formal sector. Ragui Assad hypothesizes that one reason for this phenomenon may be the more flexible employment contracts in the case of Jordan. This is an interesting hypothesis to be tested, along with other hypotheses based on the characteristics of labor markets in Jordan, which can form the basis of a rich and policy relevant literature in the future. Since formality of employment is defined both in terms of the labor contract and access to social security, it would have been helpful to provide more details of the similarities of social security systems in Egypt and Jordan, e.g., cost to the employers etc. The new dataset...
also corroborates the by now familiar mismatch between supply and demand in the Jordanian labor markets, associated with immigration of unskilled labor and emigration and unemployment of educated labor.

Nader Mryyan examines demographic trends and its implications for labor force participation, employment and unemployment. Labor force participation and unemployment rates are disaggregated by age, gender, education, location etc. He confirms the low labor force participation rates, particularly amongst the women, and the high youth unemployment phenomenon, again with highest concentration amongst young female population. These themes are taken up in Chapter 3 by Mona Amer on school to work transition amongst the youth. She examines the school to work trajectory of the 15-34 age group relying on retrospective questionnaires of JLMPS. The chapter contains a wealth of information related to issues such as the distribution of the time to first job disaggregated by gender and educational attainments and the most prevalent sequence of labor market experience after the first job given gender and educational attainments. Some of the conclusions need to be considered with care, as the trajectory of the various events investigated is right censored by the date of the survey and the effect needs to be investigated before focusing on particular subsets of the data, e.g., those who have ever worked. Many of the important results of the chapter are likely to remain valid, particularly those related to the persistency of employment states by occupational types which paint a highly segmented and rigid labor market in Jordan.

In Chapter 4 Ragui Assaad, Rana Hendy, and Chaimaa Yassin produce a detailed analysis of female labor force participation and employment in Jordan. They show that despite the rapid increase in female educational attainments in recent past, and the higher rates of labor force participation by more educated women, the trends in female labor force participation has remained stagnant. This paradox, which is common to all Middle East and North African countries to a greater or lesser degree, can be only explained by a general decline in female participation rates over time, given educational attainment. They demonstrate that this has been indeed the case in Jordan and go on to explain this by the dwindling women friendly public sector jobs and the inability of the private sector to provide a hospitable environment for women in general and for married women in particular.

In Chapter 5 Mona Said investigates wage differentials in Jordan segregated by male, female, public and private sector categories, and correcting for individual characteristics such educational attainment, experience, location, and self selection. She finds that despite the erosion of public sector wage advantages during the recession, female employees in public sector still receive higher wages than in private sector. In the case of male workers however private sector workers have a wages premium over public employees. Gender wage discrimination does not exist in public sector, with even a slight female premium, but the private sector discriminates against women but with wage premiums that are much lower than observed in other countries.

Jackline Wahba examines the very important issue of labor migration in Jordan in Chapter 6. She recognizes that like all other household surveys, the JLMPS underestimates the share of migrant labor, but nevertheless she uses data to good effect by comparing the characteristics of labor migrants with the nationals working in Jordan. The immigrants are largely engaged in low skilled low wage jobs in the informal sector. The emigrants on the other hand are highly skilled and receive a considerable wage premium in destination countries and their remittances are substantial for the economy.

In chapter 7 Rania Salem examines the trends in marriage behaviour in Jordan in recent years. JLMPS data contains questions related to marriage such as duration of engagement, marriage timing and age at marriage, espousal characteristics and marriage expenditure which combined with other household characteristics allows addressing important questions with regards to the interaction of family formation and labor market outcomes, especially in relation to female labor. In chapter 8 Ibrahim Al-Hawarin examines the phenomenon of early retirement amongst men
in Jordan. He finds that 85 per cent of the retired males alive in 2010 were early retirees, and 45 per cent of early retirees returned to the labor market and mainly worked in informal activities. The paper goes on to investigate various characteristics of the early retirees and their mode of re-engagement in the labor market compared to other workers. The issues of involuntary early retirement and the limitations of the data in investigating this phenomenon are also discussed.

The variety and depth of coverage of labor market issues discussed in this volume demonstrates the richness of the JLMPS 2010 dataset. The JLMPS survey is conducted by the Economic Research Forum (ERF) in collaboration with the National Centre for Human Resource Development and the Jordanian Department of Statistics. This survey follows the very successful labor market panel survey spearheaded by ERF in Egypt in 2006 (ELMPS 2006) which has since given rise to numerous and valuable studies on Egyptian labor market. The richness of this dataset attests to the valuable cross fertilization of the joint effort by researchers and the statistical offices in collecting research relevant statistics. The ERF and specially Ragui Assaad and his team should be congratulated for bringing this about.

Though the research papers in this volume shed light on the variety of research relevant questions that JLMPS can help address, it would have been nevertheless helpful to other researchers if a chapter was devoted to the discussion of the data itself – e.g., a full description of the questionnaires, sample design, problems associated with long recall periods, etc. Another issue which needs to be addressed in future rounds of JLMPS is the high degree of openness of Jordanian labor market and the significance of the immigrant labor which cannot be adequately captured by household surveys. Given the growing importance of immigrant labor in the Jordanian labor market this issue cannot be ignored. Another issue relates to the selectivity of emigrant labor and the way it may affect the interpretation of the data. That is the issue of sample attrition by emigration and whether it is informative about the historical trends derived from retrospective surveys. This problem can perhaps best be addressed after the second round of the JLMPS is at hand.

The compilation of the JLMPS 2010 will no doubt be regarded as a landmark by researchers of Jordanian labor market. We all look forward to the appearance of the second round of this valuable panel dataset.

Massoud Karshenas is an ERF Fellow and Professor of Economics at SOAS, University of London.
Latest ERF Publications

The Middle East Development Journal (MEDJ)

The Economic Research Forum is proud to announce the publication of the third issue of the Middle East Development Journal (MEDJ).

Vol. 6, No. 1.
June 2014

Inflation, financial intermediation and growth: the case of Egypt
Amr Sadek Hosny & Hamid Mohtadi
DOI:10.1080/17938120.2014.886422

Emigration and origin country’s institutions: does the destination country matter?
Michel Beine & Khalid Sekkat
DOI:10.1080/17938120.2014.898411

Recoveries in the Middle East, North Africa, and Pakistan: have macroeconomic policies been effective?
Dalia S. Hakura & Francesco Grigoli
DOI:10.1080/17938120.2014.885485

Financial crisis, monetary policy reform and the monetary transmission mechanism in Turkey
James L. Butkiewicz & Zeliha Ozdogan
DOI:10.1080/17938120.2014.885484

Corporate governance, investor protection, and firm performance in MENA countries
Iftekhar Hasan, Nada Kobeissi & Liang Song
DOI:10.1080/17938120.2014.886421

Taxing CO2 emissions and its ancillary health benefits: a computable general equilibrium analysis for Tunisia
Mohamed Abdelbasset Chemingui & Chokri Thabet
DOI:10.1080/17938120.2014.887805

Book review: The economic development process in the Middle East and North Africa
Raimundo Soto
DOI:10.1080/17938120.2014.920212

ERF Working Papers Series

Since the last issue of Forum, 44 working papers have been published and disseminated electronically. All papers can be downloaded from the ERF website: www.erf.org.eg. The recently published papers are listed below:

Top Incomes and the Measurement of Inequality in Egypt
Vladimir Hlasny and Paolo Verme
Working Paper 874

Governance Reforms to Achieve Social Justice and Inclusive Growth in Egypt: Building Inclusive Economic Institutions
Hafez Ghanem
Working Paper 873

Iran’s Inflationary Experience: Demand Pressures, External Shocks, and Supply Constraints
Magda Kandil and Ida A. Mirzaie
Working Paper 872

Assessing Inequality of Human Opportunities: A New Approach for Public Policy in Tunisia
Hatem Jemmali and Mohamed Amara
Working Paper 871

Risky Business Political Instability and Greenfield Foreign Direct Investment in the Arab World
Martijn Burger, Elena Ianchovichina, and Bob Rijkers
Working Paper 870

Abla El Khawaga, Mona Esam, and Rasha Hammam
Working Paper 869

The Impact of Economic Freedom on Entrepreneurs’ Activities and Economic Growth: New Evidence from Cross-Country Data
Doaa M. Salman
Working Paper 868

Individual and Households Determinants of Women Empowerment: Application to the Case of Egypt
Ragui Assaad, Hanan Nazier and Racha Ramadan
Working Paper 867
Which Factors Determine the Upgrading of Small and Medium-Sized Enterprises (SMEs)? Evidence Egypt, India and the Philippines
Aimee Hampel-Milagrosa, Markus Loewe and Caroline Reeg
Working Paper 866

Impact of Improving Irrigation Water Use Efficiency on the Valorization of Water Resources: Case of Irrigated Wheat Production Systems in Central Tunisia
Ali Chebil and Aymen Frija
Working Paper 865

Institutional Quality Effect on Remittances in the MENA Region
Imene Guetat and Dorsaf Sridi
Working Paper 864

Using Risk Disclosures of Lage GCC Bank to Evaluate Information Content
Mahmoud Haddad and Sam Hakim
Working Paper 863

Evaluation of Tunisian Regions’ Efficiency Using DEA and TOBIT Models
Lamia Mokaddem
Working Paper 862

Accepability of Civil Marriage in a Multidenomination- al Society: Results of an Empirical Survey in Lebanon
Rayan G. Haykal
Working Paper 861

Water Policy and Poverty Reduction in Rural Area: A Comparative Economy Wide Analysis for Morocco and Tunisia
Chokri Thabet
Working Paper 860

Toward Understanding Water Conflicts in MENA Region: A Comparative Analysis Using Water Poverty Index
Caroline A Sullivan and Hatem Jemmali
Working Paper 859

Oil Price Risk Exposure and the Cross-section of Stock Returns: The Case of Net Exporting Countries
Riza Demirer, Shrikant P. Jategaonkar and Ahmed Khalifa
Working Paper 858

The Employment Intensity of Output Growth in Tunisia and Its Determinants
Rim Mouelhi and Monia Ghazali
Working Paper 857

Inequalities in Early Childhood Development in the Middle East and North Africa
Caroline Kraft and Safaa El-Kogali
Working Paper 856

Religious Loyalty and Acceptance of Corruption
Moamen Gouda and Sang-Min Park
Working Paper 855

Education in Egypt: Improvements in Attainment, Problems with Quality and Inequality
Asmaa Elbadawy
Working Paper 854

Salaires, Genre et Choix de Secteurs en Algerie
Moundir Lassassi and Christophe Muller
Working Paper 853

From Productivity to Exporting or Vice Versa? Evidence from Tunisian Manufacturing Sector
Mohamed Ayadi and Wided Mattoussi
Working Paper 852

Harnessing the Sun and Wind for Economic Development? An Economy-Wide Assessment for Egypt
Perrihan Al-Riffai, Julian Blohmke, Clemens Breisinger, and Manfred Wiebelt
Working Paper 851

Social Order, Rents and Economic Development in Iran since the Early 20th Century
Hadi Salehi Esfahani and Esra Ceviker Gurakar
Working Paper 850

Patterns of Labor Market Insertion in Egypt, 1998-2012
Mona Amer
Working Paper 849

Democracy, Democratic Consolidation and Military Spending
Ibrahim Ahmed Elbadawi and Philip Keefer
Working Paper 848
Impact of Internal Migration on Political Participation in Turkey
Ali T. Akarca and Aysit Tansel
Working Paper 847

Is Monetary Policy in Egypt Backward or Forward-Looking?
Amr Sadek Hosny
Working Paper 846

The Impact of Fiscal Policy on Economic Activity Over the Business Cycle: An Empirical Investigation in the Case of Algeria
Abderrahim Chibi, Mohamed Benbouziane and Sidi Mohamed Chekouri
Working Paper 845

Labor Market Heterogeneity and Optimal Exchange Rate Regime in Resource-Rich MENA Countries
Almukhtar Saif Al-Abri
Working Paper 844

Trade Facilitation and Firms Exports: The Case of Egypt
Rana Hendy and Chahir Zaki
Working Paper 843

The Catastrophic Economic Consequences of Illness and their Effect on Poverty Estimates in Egypt, Jordan, and Palestine
Ahmed Shoukry Rashad
Working Paper 842

Trust and Prosocial Behavior in a Process of State Capacity Building: The Case of the Palestinian Territories
Luca Andriani and Fabio Sabatini
Working Paper 841

Do Product Standards Matter for Margins of Trade in Egypt? Evidence from Firm-Level Data
Hoda El-Enbaby, Rana Hendy and Chahir Zaki
Working Paper 840

Wage Differential between Urban and Rural Palestine: The Shadow of Palestinian-Israeli Conflict
Daoud Yousef and Fallah Belal
Working Paper 839

Young People’s Job Aspirations in Egypt and the Continued Preference for a Government Job
Ghada Barsoum
Working Paper 838

Rural Wage Employment: Is There a Premium for Agriculture?
Daoud Yousef and Fallah Belal
Working Paper 837

Rania Roushdy and Irène Selwaness
Working Paper 836

Incentives Structure and Accountability in the Jordanian Higher Education System
Ghada Barsoum and Nader Mryyan
Working Paper 835

Inequality of Opportunity in Educational Attainment in Middle East and North Africa: Evidence from Household Surveys
Ragui Assaad, Djavad Salehi-Isfahani and Rana Hendy
Working Paper 834

Aligning Incentives to Reforming Higher Education in Egypt: The Role of Private Institutions
Ghada Barsoum
Working Paper 833

Measuring Top Incomes and Inequality in the Middle East: Data Limitations and Illustration with the Case of Egypt
Facundo Alvaredo and Thomas Piketty
Working Paper 832

Micro and Small Household Enterprises in Egypt: Potential for Growth and Employment Generation
Ali Rashed and Maia Sieverding
Working Paper 831