ECON 3630: Economic Issues of the Middle East and North Africa  
Spring 2018

Monday, Wednesday: 2-3:15 Monroe 130  
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Office hours: Wednesday 3:30-4:30 and by appointment, Monroe 219

Course Description
This course surveys issues related to the economic development of the Middle East/North Africa region (MENA) with an emphasis on theory and practice. Topics covered include growth strategies since 1960 and specific development challenges, including (i) the role of OPEC and managing oil price volatility; (ii) water scarcity; (iii) poverty and inequality; (iv) youth unemployment and labor market rigidities; (v) global and regional integration; (vi) private and financial sector development, among others.

Course Requirements and Grade Determination
25% Class presentation  
25% Country analysis and investment proposal  
25% Midterm  
25% Final exam

Class presentation  
Students will prepare a 10 minute PowerPoint presentation on a specific development issue, drawing on the assigned readings. A two page summary and the presentation are to be submitted the day before the presentation.

Country analysis and investment proposal  
Students will prepare a country analysis and design a project to enhance growth in a MENA country. Requirements include preparation of a five to eight page country analysis, a one to two page executive summary of a project concept, participation in a development project competition and a five page full project description submitted after the competition. Class lectures and templates will help guide the structure of the analysis and written submissions. The grade for this component will be based on the country analysis (50%) and project proposal (50%).

Required and Recommended Texts:
Additional Readings:
Readings published by the World Bank can be found under research at www.worldbank.org
and on the International Monetary Fund (IMF) website at www.imf.org. All other articles
listed are available online.

Laptops, etc
Laptops are permitted on a provisional basis but audio and video recordings of class lectures
are not allowed.

Tentative Schedule:
1/17  Introduction
1/22  Growth performance 1960-85
1/24  Growth performance 1985-present
1/29  Country analysis
1/31  OPEC and the oil market
2/5   Oil, macroeconomic policy and growth
2/7   Water scarcity
2/12  Agriculture and food security
2/14  Environment and climate change
2/19  Population and youth
2/21  Midterm
2/26  Project analysis
2/28  Midterm review, Country analysis due
3/12  Gender
3/14  Unemployment and labor markets
3/19  Education and health
3/21  Poverty and social welfare
3/26  Energy and infrastructure
3/28  Trade and regional integration
4/2   Industrial policy and export promotion, Project executive summary due
4/4   Private sector development
4/9   Financial sector development
4/11  Governance and institutions
4/16  Development project competition trial run
4/18  Development project competition
4/23  Urbanization
4/25  Conflict, Project concept document due
4/30  Final exam

Introduction
CDRW (1.2)
IMF (2017) The Middle East In Flux. Finance and Development (December)
Growth performance, 1960-85
CDRW (3,7)

Growth performance, 1985-present
CDRW (8)
Mitra, P. et al. (2016) Avoiding the New Mediocre: Raising Long-Term Growth in the Middle East and Central Asia. International Monetary Fund

OPEC and the oil market
CDRW (13) pp. 484-93
Class Presentation Topic: Discuss the influence of MENA oil exporters on oil prices.

Oil, macroeconomic policy and growth
CDRW (9)
IMF (2015) Iran: Selected Issues
Class Presentation Topic: Discuss the role of oil in development and macroeconomic policy in Saudi Arabia and Iran.

Water scarcity
Class Presentation Topic: Discuss water management and pricing policies in Israel.

**Agriculture and food security**
CDRW (6)
Class Presentation Topic: Discuss agricultural policy and reforms in Turkey.

**Environment and climate change**
Class Presentation Topic: Discuss the potential effects of a changing climate in two MENA countries.

**Population and youth**
CDRW (4)
Class Presentation Topic: Discuss economic challenges and opportunities facing youth in Tunisia and Jordan.

**Gender**
World Bank (2017) Progress Towards Gender Equality in the Middle East and North Africa Region.
Class Presentation Topic: Discuss the economic participation of women in MENA countries.

**Unemployment and labor markets**
Class Presentation Topic: Discuss formal and informal labor market dynamics in MENA countries.

**Education and health**
Class Presentation Topic: Compare and contrast health sector reforms in Morocco and Iran.

**Poverty and social welfare**
Class Presentation Topic: Discuss poverty incidence and policy approaches in Jordan.

**Energy and infrastructure**
Albino-War, M. et al (2014) Making the Most of Public Investment in MENA and CCA. International Monetary Fund
Class Presentation Topic: Discuss the challenges and opportunities for energy sector reform in MENA countries.
Trade and regional integration
CDRW (13)
Chaffour, J. (2014) From Political to Economic Awakening in the Arab World: The Path of Economic Integration. World Bank
Rouis, M. and S. Tabor (2013) Regional Economic Integration in the Middle East and North Africa: Beyond Trade Reform. World Bank
Class Presentation Topic: Discuss costs and benefits of regional integration in MENA countries.

Industrial policy and export promotion
Class Presentation Topic: Discuss challenges and opportunities for export diversification in the MENA region.

Private sector development
EBRD (2016) What’s Holding Back the Private Sector in MENA?
Class Presentation Topic: Discuss market dynamics and firm behavior in the MENA region.

Financial sector development
Class Presentation Topic: Discuss challenges and opportunities of enhancing access to financial markets in Morocco and Tunisia.

Governance and institutions
CDRW (11,12)
World Bank (2016) Public Employment and Governance in the Middle East and North Africa.

Class Presentation Topic: Discuss the role of governance and institutions in service delivery in MENA countries.

Urbanization

Class Presentation Topic: Discuss the costs and benefits of urbanization in MENA countries.

Conflict
CDRW (13)
Rother, B. et al (2017) Economic Impact of Conflicts and the Refugee Crisis in the Middle East and North Africa. IMF Staff Discussion Note 16/08
World Bank (2017) Yemen Policy Note.

Class Presentation Topic: Discuss the effects of conflict on economic activity in Syria, the West Bank and Gaza and Yemen.