COURSE DESCRIPTION:

The MENA is a large, complex and diverse region that faces a wide range of economic issues. Our focus will be on the economic development, current economic policies and the future economic prospects of the region. The specific countries under MENA include: Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Yemen, and the United Arab Emirates. Discussion of the economic development of the disputed territories of the West Bank and Gaza will not be discussed given the lack of reliable data.

Within Arab MENA, the Muslim countries are among the poorest countries in the world, producing a disproportionately small amount of scientific output, whether in basic research, patent activity or industrial innovation. Using the proportion of citations of articles published in internationally circulating science journals, 41 predominantly Muslim countries, globally, with about 20 percent of the world's total population, generate less than 5 percent of the world’s scientific research, patents or industrial innovation.

How does one explain the huge gap in economic development, scientific output and innovation between the Arab MENA, Israel, the West and/or East Asia? What must change in Arab MENA so that economic development, science and innovation can flourish again?

One philosophical explanation offered by Jamal ad-Din al-Afghani (1838-1897) and subsequent reformers within Arab MENA can be found in the following quoted text:

“It is permissible, however, to ask oneself why Arab civilization, after having thrown such a live light on the world, suddenly became extinguished; why this torch has not been relit since; and why the Arab world still remains buried in profound darkness.”


The purpose of this course is to go beyond the philosophical speculation of Jamal ad-Din al-Afghani and his followers by examining the economic policies of the countries within MENA and
decomposing them into pro- versus anti-economic development. This course will familiarize students with the tools and procedures of country and regional analysis and apply these tools to understanding the current economic development within MENA, how these countries got where they are, the current economic issues they face, and the policies they are using to address these issues.

The course examines the following economic realities of the region and compares them across the MENA economies (in varying degrees of depth): Technology gap and comparative development; the value of education and human capital development; water and food security; the economics and politics of oil; population growth, the role of gender and labor mobility; the role of the state as economic actor; the economic value of democracy; and the prospects for regional integration.

**What This Course is Not:** This course is not about the latest political or economic debate on who did what to whom in the Middle East or in MENA.

The readings for this course are taken from a single textbook referred to throughout the course, along with a set of economic journal articles. The dates on the syllabus are planned presentation dates. We may be able to speed up or slow down depending on the complexity of the topic.

**COURSE REQUIREMENTS:**

The grade for this course is based on class participation (20%) a short methodology paper or criticism of an existing econometric methodology (20%) and on an original paper on one of the topic areas listed in the syllabus (60%). For the PhD students enrolled in the class the paper assignments would be an opportune moment to formulate your dissertation proposal. Prior approval of your paper topic is required. The completed paper will be due both in paper and electronic format on the last day of the exam week.

**REQUIRED TEXTS:**

READINGS AND LECTURE LIST

I. INTRODUCTION TO THE MENA 1/15

Pelzman Chapter 1.


II. A SURVEY OF THE REGION’S MAIN ECONOMIC OUTCOMES 1/22

Pelzman Chapter 2.


IMF. *Regional Economic Outlook_MENA_2013* (Available on line).

III. Islamic Economics: Interest Free Finance 1/29—2/5

Pelzman Chapter 3.


IV. Investment in HK and Endogenous Growth 2/12—2/19

Pelzman Chapter 4.


V. Total Factor Productivity (TFP) and Endogenous Growth  

Pelzman  Chapter 5.


Herrendorf, Berthold and Akos Valentinyi “Which Sectors Make Poor Countries So Unproductive?,” *Journal of the European Economic Association* 10(2) (April 2012), 323–341


**VI. Oil Money and the ‘Dutch Disease’**  3/26 — 4/2

Pelzman Chapter 6.


**PASSOVER – NO CLASSES**  4/16
VII. SCIENCE, TECHNOLOGY AND INNOVATION

Pelzman Chapter 7.


Cieslik, Andrzej and Jan Hagemejer “Assessing the Impact of the EU-sponsored Trade Liberalization in the MENA Countries,” Journal of Economic Integration 24:2, (June 2009) 343-368

Contessi, Silvio, Francesca de Nicola, and Li Li “International Trade, Female Labor, and Entrepreneurship in MENA Countries,” Federal Reserve Bank of St. Louis, (January/February 2013) 89-114.


Lawrence, Robert Z., “A US-Middle East Trade Agreement: A Circle of Opportunity?” (Peterson Institute, Washington, DC, 2006); Ch. 2:


Péridy, Nicolas and Corinne Bagoulla “Regional Integration and Real Convergence: Evidence from MENA Countries,” Journal of Economic Integration, 27: 1 (March 2012), 80-114

World Bank. 2011 Trade Competitiveness of the Middle East and North Africa.

World Bank 2013. Regional Economic Integration in the Middle East and North Africa:Beyond Trade Reform.