



CONFERENCE ON

**UNDERSTANDING AND AVOIDING THE OIL CURSE  
IN THE ARAB WORLD**

**JANUARY 15-16, 2012**

***VENUE: ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT, KUWAIT***

**CONTEXT**

Eleven countries of the twenty-two members of the "League of the Arab States" are oil exporters and they account for approximately 55 percent of global oil reserves and 29 percent of natural gas reserves. The hydrocarbon sector dominates these economies, contributing about 50 percent to GDP and 80 percent to government revenues. Neighboring countries are impacted by oil as well through its impact on labor earnings, capital mobility and trade in goods and services between oil and non-oil exporters.

To the extent that the region does not harness the power of natural resources, it is likely to experience extreme volatility, post-boom growth collapses, Dutch disease, weakened institutions and rent-seeking behaviors: the so called "oil curse". The converse also holds.

In this context, the Economic Research Forum (ERF) has initiated a major research undertaking on "understanding and avoiding the oil curse in the Arab world". This research aims at understanding the macroeconomic challenges related to oil dependency. In addition, it aims at exploring options to address those challenges including fiscal, financial, monetary and exchange rate policies. The research also discusses how large oil windfalls could impact institutions, which may enhance or impede the ability of Arab economies to reach their full potential. The conference was preceded by a workshop, which was held in Cairo on October 7 and 8, 2011 to discuss draft papers.

**CONFERENCE OBJECTIVES**

The primary objective of this conference is to initiate discussions of the macroeconomic challenges posed by oil dependency in Arab countries, and of policies for harnessing the power of natural resources. This conference brings together well-know academics and policymakers.

**AGENDA**

The conference is organized jointly by the Economic Research Forum and the Arab Fund for Economics and Social Development. It will convene around 100 researchers from the region and outside it and will last for a day and half. Each session is structured such that ample time is left for open discussion.



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AGENDA

Day 1	January 15, 2012
08:30-09:00	<b>Registration</b>
09:00-10:30	<b>Welcome Remarks:</b> <i>Abdlatif Al-Hamad</i> , Arab Fund for Economic and Social Development
	<b>SESSION 1: NATURAL RESOURCES: CURSE OR BLESSING?</b> <b>Moderator:</b> <i>Mohammed Al-Sabah</i> , Former Deputy Prime Minister and Minister of Foreign Affairs, Kuwait
	<b>Opening Remarks:</b> <i>Ahmed Galal</i> , Economic Research Forum
	<b>Keynote Speaker:</b> <i>Paul Collier</i> , The Resource Curse
	<b>Open Discussion</b>
10:30-12:00	<b>SESSION 2: OPTIMAL EXCHANGE RATE REGIMES AND DUTCH DISEASE IN RESOURCE-RICH ECONOMIES</b> <b>Moderator:</b> <i>Youssef Al-Ebraheem</i> , Al-Diwan Al-Amiri (Kuwait) and ERF <b>Speakers:</b> <i>Magda Kandil and Boaz Nandwa</i> , Exchange Rate Regimes for the Oil-rich Arab Countries <i>Daniela Marotta</i> , Dutch Disease in the Services Sector: Evidence from MENA's Oil Exporters
	<b>Open Discussion</b>
12:00-12:30	<b>Break</b>
12:30-14:00	<b>SESSION 3: INTERNATIONAL VS. ARAB COUNTRY EXPERIENCES</b> <b>Moderator:</b> <i>Ali Abdel Gadir Ali</i> , Arab Planning Institute and ERF <b>Speakers:</b> <i>Mahmoud El-Gamal and Hoda Selim</i> , The GCC and Populous Oil-rich Economies in the Arab World: How Much in Common and How Much in Contrast? <i>Thorvaldur Gylfason</i> , International Experiences with the Management of Natural Resources
	<b>Open Discussion</b>
14:00-15:30	<b>Lunch</b>

**15:30-17:00**    **SESSION 4: NATURAL RESOURCES AND DEVELOPMENT**  
**Moderator:** *Belkacem Laabas*, Arab Planning Institute  
**Speaker:** *Rabah Arezki*, Optimal Public Investment in Resource-Rich Economies: The Role of Business Climate Conditions and Administrative Capacity  
*Alan Gelb*, Economic Diversification and the Role of the Government in Resource-rich Economies

**Open Discussion**

**19:00-**            **Dinner (Kuwait Towers)**

**Day 2**            **January 16, 2012**

**09:00-10:30**    **SESSION 5: TURNING THE CURSE INTO A BLESSING: THE ROLE OF GOOD GOVERNANCE**  
**Moderator:** *Hassan Hakimian*, University of London  
**Speakers:** *Ibrahim Elbadawi*, Institutions, Resource Curse Channels and Growth  
*Sambit Bhattacharyya*, Capital Spending in Resource-rich Economies

**Open Discussion**

**10:30-12:00**    **SESSION 6: INSTITUTIONS IN NATURAL RESOURCE-RICH ECONOMIES**  
**Moderator:** *Antoine Heuty*, Revenue Watch Institute  
**Speakers:** *Klaus Schmidt-Hebbel*, Fiscal Institutions for Resource Management: Lessons from Chile and Norway  
*Ragnar Torvik*, Transparency and Accountability in Resource-rich Countries

**Open Discussion**

**12:00-12:30**    **Break**

**12:30-14:00**    **PANEL DISCUSSION**  
**Moderator:** *Ahmed Galal*, Economic Research Forum  
**Panelists:** *Abdlatif Al-Hamad*, Arab Fund for Economic and Social Development  
*Ibrahim Elbadawi*, Dubai Economic Council and ERF  
*Alan Gelb*, Center for Global Development

**Open Discussion**

**14:00-15:30**    **Lunch**