

## PREFACE

This book is about the Middle East and North Africa (MENA) region. This region is generally perceived as having experienced the most disappointing growth performance over the last couple of decades among all regions in the world with the possible exception of Sub-Saharan, Africa. Despite the region's immense endowment of natural resources, its *per capita* income is often viewed as having stagnated. At the same time, most economies of the region have been characterized by extremely high volatility, a condition only partly attributable to the fluctuating price of oil.

Another motive for writing about the MENA region is that it has been far less studied and researched than the other regions of developing countries such as Latin America, East Asia, South Asia, and Sub-Saharan, Africa. Much of what has been written about the region is confined to the country level or to a specific aspect of the economy such as agriculture, finance, trade, or poverty. Moreover, seldom has any of these themes or aspects of the economy been treated comprehensively.

A third motive, and one closely related to the other two, is the prominence of the MENA region in the global energy markets and the world political system. Countries in the MENA region are in the international headlines virtually on a daily basis. The topics of interest are wide ranging and diverse, ranging from dictatorships, civil wars, terrorism, and water shortages, to more economic problems arising from volatile oil prices, barriers to trade and foreign investment, dominance of public enterprises, and low-skill work forces. Many of these are interdependent and are collectively worthy of explanation.

For all these reasons, we feel that a comprehensive treatment of the factors responsible for the relatively poor performance of the countries in the MENA region would be needed. This is especially true at this critical juncture of the economic and political development of the region and the important implications thereof for growth and growth policies in other parts of the world. A comprehensive treatment should combine micro-level as well as macro-level analyses. It should also make ample use of comparisons between MENA and the other regions, within the MENA region itself, and the two comparisons over time, especially in cases where policy and institutional orientations have changed over time.

Since the MENA region is subject to a rather unique and volatile combination of common factors such as oil, religion, poor governance, and substantial

migration flows, the volume provides the reader with a better understanding of how these factors have interacted with initial conditions and with each other to explain variations in growth and development patterns across the MENA countries and over time. Quite naturally, there is greater focus on these rather unique factors than might appear in similar studies of the other regions.

The book is meant for a wide readership and to the extent possible technical details have been deliberately kept to the bare minimum. It ought to be of interest to economists of all persuasions, and for the most part should be accessible to non-economists with special interest in the economics of the MENA region. In virtually every chapter of the book there is considerable emphasis on policies and institutions, and it is, therefore, also hoped that the book will be of interest to policy makers in the MENA and other regions.

The raw material and idea for the book originated in a very ambitious project compiled by the Economic Research Forum (ERF), a network of scholars, practitioners, and policy makers interested in the MENA region. ERF has counterparts in other regions, for example, LACEA in Latin America and the Caribbean and AERC in Africa. As with the other networks, the ERF has been supported by numerous agencies, bilateral donors, regional financial institutions, and international institutions such as the UNDP and the World Bank.

The specific ERF project, which made this book possible was sponsored by the Global Development Network (GDN) which links the various regional networks mentioned above. Various researchers (both individuals and teams) were selected by the ERF specifically for the GDN-sponsored project. Different researchers were commissioned to write papers on various aspects of the development process in the region, both country-specific as well as thematic contributions relevant to the region as a whole. Each of the resulting papers was presented and discussed formally at a conference organized by the ERF. All these papers, with a few exceptions, were submitted to us to be considered for publication. In addition to these papers, we also commissioned a paper on Turkey which was not covered by the ERF–GDN initiative.

All the submitted papers were then reviewed again by at least two referees and subsequently assessed by us. The authors of those papers considered for publication in this volume were then requested to revise their papers in line with the comments of the referees and editors. The resulting re-submissions were eventually refereed again and in most cases a third time. Inevitably, this meant that some papers could not be included in the volume and that the review and revision process for those included has been rather long and protracted.

We wish to express our deep appreciation to all the referees, internal to the group (i.e., authors of the contributed papers) as well as external to it. The external referees included Agnes Benassy, Mongi Boughzala, Nauro Campos, Merih Celasun, Mine Cinar, Christopher Clague, Ali Darrat, Panicos Demetriades, Matthias Doepke, Alpay Filiztekin, Dipak Gupta, Hassan Hakimian, Andrew Horowitz, Hyeok Jeong, Magda Kandil, Taher Kanaan, Massoud Karshenas, Andrew Mason, Hamid Mohtadi, Mokhtar Metwally, Jennifer

Olmsted, Serdar Sayan, Edward Sayre, Paul Schultz, Ajit Singh, John Strauss, T.G. Srinivasan, Erol Taymaz, Jonathan Temple, Insan Tunali, and Tarik Yousef. We are grateful to all the referees for their help on each draft, in many cases having to operate under very severe time constraints. Their comments have contributed substantially to the final form and character of the volume. Above all, we wish to thank the authors for their patience and willingness to revise and re-submit their papers despite their own hectic schedules. We also appreciate the authors' willingness to modify their papers so that they would fit together in a more coherent whole. Finally, we would not have been able to communicate with the authors and referees and keep track of the status of each paper, without the help of the ERF Secretariat, its Directors (first, Heba Handoussa and more recently, Samir Radwan), and our assistant Julia Murkin in Cambridge.

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May 2006