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Comments on Economic Agenda for Post-Conflict Reconstruction

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Conflicts, Governance and Post-conflict Economic Agenda in War Afflicted Countries

Outline

- Ambitious, Comprehensive thematic paper for multi-country Study : Iraq, Libya, Syria, Yemen
- Paper covers a lot ground with important recommendations on design of macro policies in post-conflict situation
- Remarks
 - Methodology
 - Detecting MENA Specificities
 - Macro Policies and Benchmarking

Methodology

- Project in the footsteps of comprehensive country studies (OECD, WORLD BANK, etc) but only 4 countries makes it difficult to draw up a 'common' methodology to tease out conclusions
- Paper relies on two plausible premisses
 - Change/scratch institutions
 - Prospect for Stability key for stability; Access to RPGs
- But what is the more plausible framework for institutions in the 4 countries? Same or different?
 - Acemoglu et al. (2005): Slow evolution as a result of change in the balance of power vs. Transaction costs view
 - Kuran (2010) Islamic law
 - Develop/adapt an Institutional diagnostic tool (See EDI project for a recent example)

Detecting MENA Specificities

- Inequality down, but not perception. Is this a MENA specificity?
 - Why? Manipulation by social media?
 - Scatter plot of perceptions (e.g. happiness) on indicators: ELF, Gini, FEW index, unemployment, etc...
 - Any indicators of public goods
- What other MENA specificities?
 - Institutions ? Islamic law (Kuran)
 - Prospects for benchmarking macro in small sample of conflict-ridden countries (see Melo and Ugarte (2012) for larger sample of MENA countries)
 - Commonalities vs. specificities for the 4 countries

Macro Policies and benchmarking

- Macroeconomic Policies
 - Inflation control Key since adverse effects on income distribution
 - Fiscal stabilization taking into account Aid and resource rents
 - Improve CBI (low in middle East)
- Any prospects for benchmarking macro with a larger sample of conflict-ridden countries (see Melo and Ugarte (2012) for larger sample of MENA countries)?
- Synthetic control methods à la Abadie et al. (2015). Objective is to find commonalities vs. specificities in the macro policies of countries exiting conflict

References

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<https://edi.opml.co.uk/research-cat/institutional-diagnostic-tool/>

Kuran, T. (2010) *The Long Term Divergence: How Islamic Law Held Back the Middle East*, Princeton University Press

Melo J. de and C. Ugarte (2012) «Resource and Abundance and Growth: Benchmarking MENA with the Rest of the World» in Diop et al. 2012