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Deutsches Institut für  
Entwicklungspolitik



German Development  
Institute

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

International Workshop

# Employment Creation through Industrial Policy in the MENA (Middle East and North Africa) countries

21-22 September 2018, Bonn

Organised by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and funded by the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH Sector Project „Employment Promotion in Development Cooperation“ on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ).

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***Employment Creation through Industrial Policy  
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Sector Project „Employment Promotion in Development Cooperation“  
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**New venue:**

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)  
Conference Room ‚Nil‘, Friedrich Ebert Allee 40  
53113 Bonn, Germany

Lack of productive employment is one of the most pressing challenges of countries in the Middle East and North Africa (MENA). No other region in the world has such high rates of unemployment and underemployment. Policy makers across the region are extremely concerned about the problem but have not yet been able to identify an effective strategy to address it. Many academic publications and donor reports focus only on the labour market rather than on what is happening on the production side of the economy. In addition, there is an emerging literature stressing the need of new industrial policies in the MENA region. Very few of these, however, focus on employment creation and promotion as a distinct goal of industrial policies.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has therefore commissioned the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) to bring international experts for industrial and labour market policies in the MENA together for a workshop and discuss what industrial policies in MENA should look like in order to generate employment that is sustainable, decent and productive.

## Programme

### Friday, 21 September:

- 09.00h Welcome address, introduction into the workshop, explanation of logistics  
By: *Georg Schäfer, Deutsche Gesellschaft für Internationale Zusammenarbeit, Eschborn and Bonn*  
*Lars Wilken, German Federal Ministry for Economic Cooperation and Development (BMZ), Bonn and Berlin*  
*Markus Loewe, German Development Institute (DIE), Bonn*
- 09.30h **Panel 1: Binding constraints to employment growth in the MENA region**  
Which are the binding constraints to create and improve employment in MENA countries: Which are the main demand side factors responsible for slow or 'job-less' growth (weak private sector, lack of innovation, limited structural change, inappropriate industrial policies...)? What additional role do supply-side factors such as education, training, labour laws and job seekers characteristics play? How does context affect labour demand and supply in MENA?  
Inputs by: *Zafiris Tzannatos, Independent Consultant (JOR), formerly World Bank and ILO:*  
Which side is binding: The labour demand or the labour supply?  
*Ahmed Galal, Independent Consultant (EGY), formerly ERF, former Minister of Finance (EGY):*  
The myth of job creation through government intervention  
Moderation: *Amirah El Haddad, German Development Institute (DIE), Bonn*
- 10:45h Coffee break
- 11:15h **Panel 2: Potential for employment-oriented industrial policy in the MENA region economies**  
What is the potential for employment-intensive growth in MENA countries? Which sectors are able to produce such growth? Which enterprises should be targeted that have potential to create employment? How do we identify them? Which actors can make what kind of contribution to improving the situation of MENA countries' labour markets? Can we ensure that both the quantity and quality of employment rises?  
Inputs by: *Amirah El-Haddad, DIE (DEU):*  
Penniless growth versus jobless growth: Employment without productivity. Insights from Egypt and Tunisia  
*Izak Atiyas, Sabanci University (TUR):*  
Employment-oriented industrial policy: Some remarks and lessons learned from the Turkish experience  
*Michelle Marshalian, Université Dauphiné (FRA):*  
Productivity, structural change and skills dynamics in Tunisia and Turkey  
Moderation: *Dina Fassbender, Deutsche Gesellschaft für Internationale Zusammenarbeit, Eschborn and Bonn*
- 12:15h Lunch break
- 13:45h **Panel 2 continued: Potential for employment-oriented industrial policy in the MENA region economies**  
(description see above)  
Inputs by: *Nobuya Haraguchi, UNIDO (AUT):*  
Prospect for employment generation through industrial development in MENA countries  
*Nora Aboushady, FEPS (EGY):*  
Do Exports and Innovation Matter for the Demand of Skilled Labor? Evidence from MENA Countries  
*Katarzyna Sidło, CASE (POL):*  
The role of collaborative economy in boosting female labour market participation in the MENA region  
*Irmgard Nübler, ILO (CHE)*  
Social capabilities and the job-creating dynamics of structural transformation  
Moderation: *Tina Zintl, German Development Institute (DIE), Bonn*

15:15h Coffee break

15:45h **Panel 3: Industrial policies needed to address constraints and exploit potentials in the MENA region**

What are the most needed policies to raise the demand for labour in MENA countries? How can governments attract investments that generate employment? What is the role of regional and international integration given that some MENA countries have very small internal markets? What roles should the government, public administration, foreign investors, large-scale domestic firms, SMEs and micro entrepreneurs play in future employment-intensive industrial policies?

Inputs by: *Giacomo Luciani, Grad. Inst. Geneva (CHE) / Sciences Po (FRA):*  
Regional integration as necessary condition for employment creation

*Hassan Y. Aly, Nile University and Ohio State University (USA):*  
The Impact of the new innovations on job destruction and creation

*Salim Araji, ESCWA (LBN):*  
How productive and inclusive is the private sector in the Arab region

*Safa Joudeh, SOAS (GBR):*  
Prospects for skills and capability upgrading in the Egyptian-Chinese Economic and Trade Cooperation Zone

*Mona Said, American University in Cairo (EGY):*  
Promoting Gender Diversity in knowledge and technology-intensive industries in Egypt

Moderation: *Georg Schäfer, Deutsche Gesellschaft für Internationale Zusammenarbeit, Eschborn and Bonn*

18:00h End of Workshop Day 1

19:00h Dinner

## Saturday, 22 September

- 09.00h Welcome address, introduction into the day  
By: *Georg Schäfer, Deutsche Gesellschaft für Internationale Zusammenarbeit, Eschborn and Bonn*  
*Markus Loewe, German Development Institute (DIE), Bonn*
- 09.15h **Panel 4: Processes of decision-making and policy implementation for employment-intensive growth**  
How should the process of industrial policy making look like in order to make it geared towards employment-intensive growth? Can embedded autonomy work at all in the institutional and political contexts of MENA countries?  
Inputs by: *Ragui Assaad, University of Minnesota (USA):*  
The labour market consequences of a real-estate-led development strategy: the case of Egypt  
*Georgeta Vidican Auktor, Univ. of Erlangen-Nuremberg (DEU) and Tina Hahn (DEU):*  
Industrial policy-making in Morocco. Towards a new social contract?  
Moderation: *Amirah El Haddad, German Development Institute (DIE), Bonn*
- 10.15h Coffee break
- 10.45h **Panel 4 continued: Processes of decision-making and policy implementation for employment-intensive growth**  
(description see above)  
Inputs by: *Marc Schiffbauer, World Bank (USA):*  
First order priority of growth policies? Avoiding policy capture  
*Adeel Malik, University of Oxford (GBR):*  
Politics of trade protection in North Africa  
*Hany Abdel-Latif, Swansea University (GBR):*  
Are politically connected firms turtles or gazelles? Evidence from the Egyptian uprising  
Moderation: *Amirah El Haddad, German Development Institute (DIE), Bonn*
- 12.15h Lunch break
- 13.45h **Panel 5: Policies to provide assistance to those left behind by industrial development**  
Who will still be without a decent job? How to mitigate adverse effects on losers of industrial policy reforms?  
Inputs by: *Rana Jawad, University of Bath (GBR):*  
Implications of the rise of non-contributory social assistance for poverty -reduction in the MENA region  
*Markus Loewe, DIE (DEU):*  
What to do if wide-spread unemployment still persists?  
*Mahmood Meskoub, International Institute of Social Studies (NLD):*  
The 'Growth-employment nexus' in the MENA  
Moderation: *Tina Zintl, German Development Institute (DIE), Bonn*
- 15:00h Coffee break
- 15:30h **Closing discussion: Conclusions and possible products**  
What lessons have we learned for creating employment through industrial policy in the MENA region? To what extent do applicable strategies differ between countries of the region? Possible formats for publicizing the conclusions (e.g., follow-up workshop with policy-makers for drafting a roadmap; academic publications like special issue or edited volume)?  
Moderation: *Markus Loewe, German Development Institute (DIE), Bonn*
- 17.00h End of Workshop Day 2