



EU-MEDITERRANEAN AND AFRICAN
NETWORK FOR ECONOMIC STUDIES

THE EU-MEDITERRANEAN AND AFRICAN NETWORK FOR ECONOMIC STUDIES (EMANES) ANNUAL CONFERENCE

13th-15th December 2023

Hybrid Conference hosted at EMEA HQ, Recinte
Modernista de Sant Pau, Barcelona



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Welcome by Prof. Rym Ayadi, EMEA President and Founder

Prof. Rym Ayadi welcomed all the participants and set the scene for this year's conference. This conference aims to be a bridge between policy and academic pursuits in the field of regional cooperation and co-development.

She highlighted novel approaches of regional partnerships among the European Union, the Mediterranean, and Africa, which stand as a testament to innovative collaboration in a multi-polar geopolitical and geo-economic order. These partnerships could become pioneering pathways in sustainable development, credible strategies for climate change mitigation and adaptation, leveraging digital transformation, renewable energy sources, and inclusive economic strategies anchored in just transition. They embody a shared vision for a future where technological advancements, environmental stewardship, and social equity converge, marking a new era of interconnected progress and mutual prosperity.



Keynote Speech: Prof. Giovanni Ferri, LUMSA University

Prof. Giovanni Ferri, Director of the Master in Management of Sustainable Development Goals, LUMSA University and member of the EMEA Advisory Board delivered the keynote speech on the first day of the conference titled: *Looking Ahead from the Polycrisis to Responsibility and Adaptation in the Future of Europe and Africa*.

In his discussion, he connected the environmental and social crises together with the multiple components of the current multi-faceted instability. In particular, after documenting Europe's leadership in the sustainable transition, Ferri highlighted how, in spite of being the continent that contributed less to create CO₂, Africa is paying the greatest toll, including through large flows of climate migrants. The conclusion was that Europe needs to take responsibility and engage Africa in a process of concerted adaptation.



Watch the recording of the keynote [here](#).

Academic session 1: Regional integration and Global value chains



Chair: NGiorgia Giovannetti*, Vice President for international Relationships, University of Firenze

Paper 1.1: The constraints of deeper regional economic integration in the light of experience

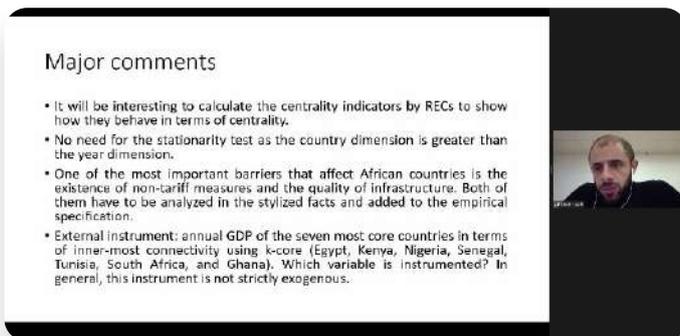
Authors: Bernard Yvars*, AFDEC - Bordeaux Institute of Political Studies

Discussant: Marianna Grimmaldi*, Swedish National Debt Office

Paper 1.2: The effect of macroeconomic variable network-based indicators of the economic integration of Africa in the 21st Century

Author: Tekilu Tadesse Choramo* (Ghent University), Jemal Abafita, Yerali Gandica and Luis E C Rocha

Discussant: Chahir Zaki, University of Orleans



Paper 1.3: Are Global Value Chains Women Friendly? Evidence from Firm-Level Data in Developing Countries

Authors: Marize Kalliny and Chahir Zaki* (University of Orleans)

Discussant: Enrico Marvasi*, Roma Tre University

Launch of the Short film “Whispers of the Earth: Symphony of Change”

Synopsis: In this unfolding narrative, Alba, a sculptor deeply committed to environmental causes, gathers clay from a lakeside. A serendipitous encounter with Mati, a young girl, sparks an unexpected connection. However, upon Alba’s departure, Mati discovers a forgotten ball of clay. Determined to return it, Mati embarks on a journey to find the elusive artist. While her attempts prove futile, the quest becomes a transformative experience for Mati, revealing her capacity to effect positive change independently.

This short film delves into the overlooked intersection of creativity and science in climate preservation, underscoring the crucial need to re-establish a connection between society and its natural surroundings. It reinforces the notion that our home extends beyond mere concrete walls, emphasizing the responsibility to safeguard a more expansive environment. The narrative explores the importance of passing down knowledge and serves as a poignant reminder that addressing climate change necessitates a collaborative, multigenerational effort, where shared humanity and connections bring us together.

Executive Producer: Rym Ayadi

Produced by: Barking Horse Studios

Director and Writer: Kolya-Alvaro dam de Nogales

Sculptures: Veronica and Edwin Dam de Nogales

Cinematographer: Emi Reyes

Starring: Matilde Avila and Veronica de Nogales

Music by: Ludovico Einaudi

Sound by: Dacio de las Heras

First AC: Raffaella Rosset

Music Consultant: Daniel Luque

Watch the film [here at the EMEA YouTube Channel](#).

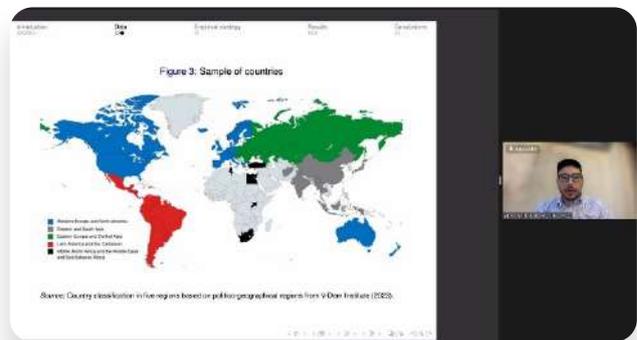
Academic session 2: Human development and sustainability

Chair: Roger Albinyana, Managing Director, IEMed

Paper 2.1: Human development and inequalities: The importance of social public spending

Authors: Ronald Miranda Lescano* (Instituto de Economía of the Universidad de la República Uruguay); Oriol Roca-Sagalés; Leonel Muinelo-Gallo

Discussant: Moubarack Lo*, Economic Prospective Office of Senegal



Paper 2.2: The Impact of Social Protection Intervention on Alleviating Social Vulnerability (Evidence from Ethiopian Rural Households)

Authors: Tewelde Gerlase Haile* (Indian Institute of Technology Roorkee)

Discussant: Yeganeh Forouheshfar, EMEA

Paper 2.3: A Model of Public Education, Environmental Awareness and Environmental Quality- an Overlapping Generations Approach

Authors: Fatma Safi*, University of Sfax

Discussant: Marwa Biltagy*, Feps

Academic session 3: Financial inclusion

Chair: Najat El Mekkaoui, Paris Dauphine University and EMEA

Paper 3.1: Advisors for micro-entrepreneurs: is one as good as another in accessing alternative finance?

Authors: Doriana Cucinelli (EMEA and University of Parma), Maria Gaia Soana and Beatrice Ronchini

Discussant: Claudia Girardone*, Essex Business School



Paper 3.2: Impact of financial inclusion on carbon dioxide emissions

Authors: Rania Makni*(IHEC Carthage); Ezzeddine Delhoumi

Discussant: Mais Shaaban*, EMEA and Al- Zaytoonah University Of Jordan



Paper 3.3: CBDCs and deposit-funded banking systems

Authors: Magdalena Kozińska (Warsaw School of Economics) and Sakshi Narula* (Indian Institute of Technology Delhi)

Discussant: Doriana Cucinelli, EMEA and University of Parma

Regional integration session

Introduction: Prof Rym Ayadi, EMEA

Presentation: Elena Stotts Lee, Research Assistant, EMEA

Discussants:

- George Zestos*, Christopher Newport University
- Aboubaker Benslimane*, JokkoLabs

In this session, Elena Stotts-Lee, Junior Researcher at EMEA, presented the most recent work EMEA has conducted on the Regional Integration Matrix. First, she introduced [in a publication in 2020](#) by Prof. Rym Ayadi and co-authors, the Regional Integration Matrix is a multidimensional evaluation approach to measuring regional integration in Europe, the Mediterranean, and Africa. Ms. Stotts-Lee's presentation elaborated on the updates that EMEA has made to the concept since the previous study. The Regional Integration Matrix now includes 7 dimensions, each with indicators used to measure different aspects of integration. They include Trade, the Movement of People, Money and Finance, Infrastructure, Governance, Foreign Direct Investment, and Cultural Proximity. The data used in the matrix now includes bilateral data which captures the level of interaction within regions by aggregating the amount of a country's activity which is conducted within a region relative to the country's total activity. Ms. Stotts-Lee devised a method of creating regional integration scores for each indicator. These scores were used to form a composite indicator. In the 2020 study, integration was assessed using the Union for the Mediterranean as a baseline. Ms. Stotts-Lee expanded the analysis to include 24 regions, ranging from supranational organizations to geographic regions from the U.N. Geoscheme.

Ms. Stotts-Lee closed her presentation with a live demonstration of the Regional Integration Matrix Dashboard. She constructed the dashboard using R Shiny and included features such as an interactive map of the indicators, visualizations of the regional integration scores, and a detailed description of the methodology. The dashboard is not yet available to the public. However, the recording of the presentation, demonstration, and subsequent discussion is available on the [EMEA Youtube Channel](#).



Academic session 4: Food security and green growth



Chair: Sandra Challita, EMANES Coordinator, EMEA and emlyon

Paper 4.1: The Impact of Financial Development On Green Complexity: Cross-Country Evidence

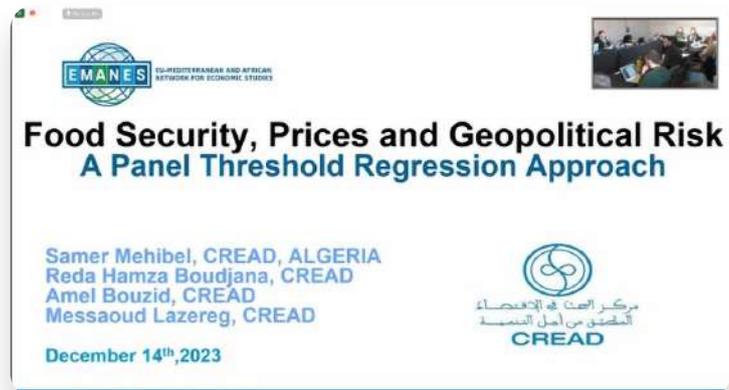
Authors: Pınar Yaşar, Başak Dalgıç, and Burcu Fazlıoğlu (TOBB University of Economics and Technology)

Discussant: Najat El Mekkaoui, Paris Dauphine University and EMEA

Paper 4.2: Food Security, Prices and Geopolitical Risk: A Panel Threshold Regression (PTR) Approach

Authors: Samer Mehibel (Centre de Recherche en Economie Appliquée pour le Développement), Reda Hamza Boudjana, Messaoud Lazereg and Amel Bouzid

Discussant: Sara Ronco*, EMEA and Università degli Studi dell'Insubria



Paper 4.3: Effects of economic complexity and energy consumption on inclusive green growth

Authors: Isaac K. Ofori* (University of Cape Coast), Emmanuel Y. Gbolonyo and Nathanael Ojong

Discussant: Ivan Hajdukovic, EMEA

EMANES Policy Session: What Euro-Med African Partnership for climate change adaptation and mitigation?

Thursday 14 December 2023

[Link to watch the recording on the EMEA YouTube Channel.](#)

Background:

The Mediterranean is where a diverse array of societies thrives, united by a shared heritage and now, a shared challenge: climate change. The socio-economic fabric of the region, interlaced with varying degrees of wealth, development, and cultures, grapples with the tangible consequences of a shifting climate. From agricultural decline to economic instabilities threatening heritage-rich coastal cities, the impacts are profound and far-reaching to the African continent.

The Mediterranean's collective response to this climate crisis transcends mere environmental concern, evolving into a vital socio-economic battle anchored in mitigation and adaptation that demands cross-border solidarity and concerted action and burden sharing.

It is against this critical juncture that the panel discussion is convened, aiming to foster united efforts that span the economic disparities and social diversities of the region.

Our panel is aimed to set the path toward socio-economic resilience through shared initiative and responsibility. The Mediterranean nations, intertwined in a complex web of trade, tourism, and tradition, recognize their interdependent futures. The conversation will prioritize strategies for sustainable economic development, just transition, equitable resource distribution, and policy synchronization to safeguard the region's socio-economic interests. Participants will delve into the multi-layered socio-economic challenges presented by climate change and explore collaborative solutions vital for the region's stability.

Panel:

Moderator: Rym Ayadi, President Euro-Mediterranean Economists Association (EMEA), Director, Euro-Mediterranean and African Network for Economic Studies (EMANES), Spain

Speakers:

- Cinzia Alcidi, Director of Research, Head of the Economic Policy Unit at the Centre for European Policy Studies (CEPS), Belgium
- Nathalie Hilmi, Section Head of Environmental Economics, Scientific Center of Monaco
- Grammenos Mastrojeni, Senior Deputy Secretary General, Union for the Mediterranean
- Iolanda Fresnillo, Policy and Advocacy Manager - Debt Justice Eurodad

Summary of the Discussion:

Europe, the Mediterranean, and Africa are host to diverse cultures and societies, each with their own unique set of social, economic, environmental, and political issues. One challenge that unites them all is the growing threat of climate catastrophe. Wildfires, drought, and other extreme weather events are wreaking havoc across both continents. The Mediterranean region has been named a 'hot spot' for climate change, with surface temperatures rising 20 per cent more than the global average. The scope and scale of the climate crisis make it impossible for countries and communities to face it alone. Partnerships anchored in both adaptation and mitigation of climate change will be vital to ensure communal survival. The global financial architecture must be reformed to meet the challenges climate change will persistently pose. Solutions and actions must be cognizant of existing vulnerabilities and inequalities within the region, such as indebtedness. With this context in mind, a policy session was held, entitled "Euro-Med African Partnership for Climate Change Adaptation and Mitigation" at the Euro-Mediterranean and African Network for Economic Studies (EMANES) Annual Conference in 2023.

The policy session was moderated by **Professor Rym Ayadi, the President of the Euro-Mediterranean Economists Association (EMEA) and Director of EMANES**. Prof. Ayadi introduced the session by stating that in the Mediterranean, there is a need to balance urgent climate action with just social and economic development. Europe has instigated a global push to reduce the production and consumption of fossil fuels. However, it is important that the burden of the transition does not disproportionately impact vulnerable populations. The African continent is particularly vulnerable to climate change. With a low adaptive capacity, widespread socioeconomic challenges, and a dependence on agriculture, the impact of climate disasters, such as droughts or flooding, is exacerbated. For this reason, financial mechanisms such as the Loss and Damage Fund, officially established at the recent COP28, are vital.



Prof. Ayadi then introduced the first speaker, **Dr. Cinzia Alcidi, Director of Research and Head of the Economic Policy Unit at the Centre for European Policy Studies (CEPS)**. Dr. Alcidi insisted that climate change is becoming an undeniable issue. Rising temperatures, forest fires, storms, and drought are having a tangible effect on the well-being of citizens in the Mediterranean. The effects of these extreme weather events and climate breakdown are most acutely felt in developing contexts. Intervention is urgently necessary, but action requires both financial capacity and adequate government efficiency.

Different interventions need to target mitigation and adaptation to climate change. Mitigation addresses the root causes of climate breakdown to provide climate stability, an important public good. Adaptation occurs on a more local level where infrastructure, urban planning, water management, and ecosystem protection are harnessed to address community-specific vulnerabilities. Both mitigation and adaptation require proper climate risk assessment and green budgeting and investment. A lack of action on both fronts can lead to bigger costs in the future, so interventions from the local to supranational level must be pushed forward now.



The following presentation was given by **Dr. Nathalie Hilmi, the Section Head of Environmental Economics at the Scientific Center of Monaco**. Dr. Hilmi observed that the Mediterranean is a hotspot for biodiversity where the impact of climate change is apparent for both people and the ecosystem. This is partly because there is a deep connection between the economy of the region and the Mediterranean basin itself. According to Dr. Hilmi, 33 percent of the world's tourism occurs in the Mediterranean.

Additionally, 80 percent of trade in the region is conducted via maritime transport. Due to climate change, the sea is warming, and the sea level is rising, causing coastal erosion throughout the basin. Ports and port infrastructure are being affected and beaches are retreating, meaning that the Mediterranean's economic resources for tourism and trade are being threatened. Fisheries are also being impacted by climate change, meaning many people may lose their livelihoods, and the famous 'Mediterranean diet' intake will be impacted. Countries on the northern shore have been major polluters throughout their development. Those on the southern shore now face different barriers to development due to their increased vulnerability to climate risk. Dealing with these discrepancies will require a just climate action framework.



The next contribution came from **Grammenos Mastrojeni, Senior Deputy Secretary General at the Union for the Mediterranean**. Mr. Mastrojeni posited that one of the real issues with climate change is that extreme events are becoming more randomized. Current systems of mitigating and adapting to risk are based on predictable shocks. Now with an onslaught of unpredictable climate disasters, whole economic systems are being destabilized.

Echoing the conclusion of Dr. Hilmi, Mr. Mastrojeni argued that justice will be essential in dealing with the climate crisis. Governments and international organizations must go beyond technical solutions and deal with existing structural inequalities. Innovation and development in energy systems, food systems, and more can bring stability and make the effect of climate shocks less dire. In addition to justice, there is a need for solidarity. Across the Mediterranean, countries have different goals and challenges but ultimately will need to work together to face them. For example, the EU cannot decarbonize without the solar potential from the southern shore. Simultaneously, solar capacity cannot be developed in the Southern Mediterranean without appropriate levels of local demand. Pooling resources and knowledge must be central to devising solutions to the climate crisis.



The final speech was delivered by **Iolanda Fresnillo, Policy and Advocacy Manager from Debt Justice Eurodad**, who put forward the notion that the starting point for justice is Europe taking responsibility for the hand it played in driving the climate crisis. From colonialism through to industrialization to modern systems of production and consumption, the emissions that Europe and other countries in the Global North produced must be accounted for and rectified by the polluters themselves. Part of the major structural reforms needed to combat the climate crisis includes the global financial architecture, in particular systems of debt.

Many developing countries are stuck in a vicious cycle between climate and debt. According to Ms. Fresnillo, approximately 70 percent of climate finance is given as a loan. This creates inequities because climate-vulnerable countries are paying higher interest rates because of increased risks. Many of the world's countries do not have the fiscal space needed to react to extreme climate events. High levels of sovereign debt impede the development of crucial adaptation and mitigation projects. These same countries are receiving advice from institutions such as the IMF to rely on fossil fuel and raw material exports to pay back debt. Additionally, current strategies for ESG and sustainable finance have many flaws. For example, with ESG, the taxonomy is not regulated or fixed across countries. There is a problematic lack of oversight and commitment to things such as blue and green bonds. All of these issues have created a compounding crisis of financial systems not being fit to deal with the worsening climate catastrophe. Ms. Fresnillo suggests that debt-free climate finance will be essential to transitioning to a just scenario.



Based on the speakers' contributions, it is evident that collective action will be essential in dealing with this crisis. The policy session of the EMANES Annual Conference of 2023 highlighted how existing inequalities are inextricably linked with climate change. Widespread reforms, in particular of the global financial architecture, must address these discrepancies rather than contribute to them. Sustained commitment to international partnerships across Europe, the Mediterranean, and Africa will help develop more mitigation and adaptation-focused projects. Doing so will be essential in ensuring the region's resilient and sustainable future.

Report Author: Elena Stotts-Lee, Junior Researcher, Euro-Mediterranean Economists Association (EMEA)

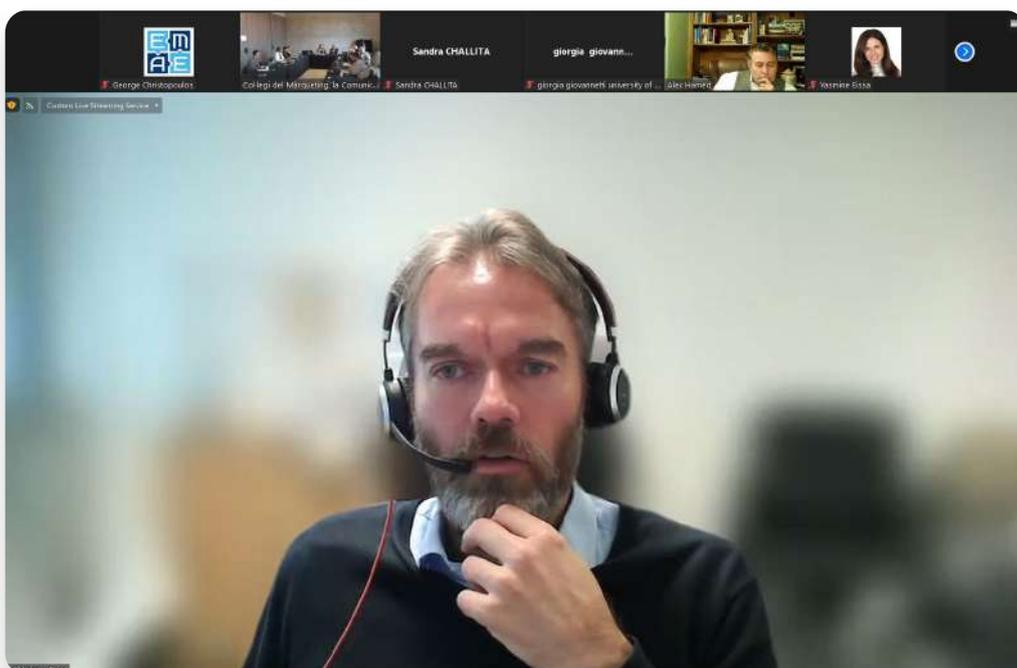
Policy Keynote: Tomorrow @ Work, the Age of Shortages

Ekkehard Ernst, member of the STOA International Advisory Board, president of the Geneva Macro Labs and chief macroeconomist at the International Labour Organization

Ekkehard Ernst delivered an insightful keynote speech on the future of work. He covered the changes in skills the workforce will need to tackle the ecological and digital transformation, combined with the current labour shortages being experienced. Looking at youth employment and skills, he noted that lack of activity in the labour market among the young is not due to lack of education. However, there is a severe lack of “talent” globally, but particularly in low-middle income countries where the needs of the job market are not matched.

To tackle these issues, he gave some policy recommendations, to name a few: identify relevant skills and provide training throughout the career of the worker; support transitions by providing career advice, facilitate certification of competences and foster skills eco-systems; and finally, better manage migration by exporting skills, recognise foreign diplomas, and import skills according to market needs.

Watch the full keynote here: <https://www.youtube.com/watch?v=JWUT-lr8RC8>



Policy Keynote 2: The Future of Africa and Goals for Regional Integration

HE Fathallah Sijilmassi*, General Director, African Union Commission

In his keynote discussion, HE Fathallah Sijilmassi discussed the future of Africa and goals for regional integration. This session was internal and is not available to watch online.

Fathallah underscored the importance of the EMANES approach, advocating for integration across Africa, Europe, and the Mediterranean. He emphasized the need for common references in data and information for accurate analysis, rejecting the outdated notion of viewing these regions as separate tracks.

Additionally, H.E. Sijilmassi highlighted Africa's increasing global significance, noting its presence in forums like the G20 since September 2023. He emphasized efforts to define common African positions on issues like climate change and access to finance for adaptation and mitigation projects, as well as loss and damage, stressing the need to address systemic challenges such as financial legitimacy and interest rates.



Lastly, he commended the work on the regional integration dashboard facilitated by EMEA, urging continued data development and collection. Dashboards such as these bridge the gap between academic research and policy implementation, materializing theoretical recommendations and advocating for long-term planning to ensure sustainable progress.

Academic session 5: Climate Risk

Chair: Nathalie Hilmi, Section Head of Environmental Economics, Scientific Center of Monaco

Paper 6.1: Climate Risk and Bank Capital Structure

Authors: Yassine Bakkar (Queen's University Belfast, United Kingdom)

Discussant: Serena Sandri*, EMANES and German Jordanian University

Paper 6.2: Interpretable machine learning models for ESG stock prices under transition and physical climate risk

Authors: Haithem Awijen, Sami Ben Jabeur (ESDES Lyon Business School), Julien Pillot

Discussant: Yixiao (Ethan) Jiang*, Western New England University

Paper 6.3: CO2 Emissions and the Link to Financial Development in Nigeria: New Discoveries through Asymmetric Cointegration

Authors: Muhammad Abdulaziz Muhammad, Kamal Tasiu Abdullahi (Istanbul University)

Discussant: George Zestos*, Christopher Newport University

Concluding Remarks and Announcement of the Best Paper Award

Dr. Cinzia Alcidi*, Director of Research, Head of the Economic Policy Unit at the Centre for European Policy Studies (CEPS), Belgium and **Prof. Rym Ayadi**, President Euro-Mediterranean Economists Association (EMEA), gave the concluding remarks to the conference, thanking all participants for a valuable discussion.

They then announced the Best Paper Awards which this year went to:

- Paper 1: Effects of economic complexity and energy consumption on inclusive green growth
- Authors: Isaac K. Ofori (University of Cape Coast), Emmanuel Gbolonyo and Nathanael Ojong
- Paper 2: GVC and Labor Market Outcomes: Evidence from MENA
- Author: Yasmine Eissa, Misr International University
- Paper 3: Interpretable machine learning models for ESG stock prices under transition and physical climate risk Haithem Awijen, Sami Ben Jabeur (Esdes Business School), Julien Pillot

Congratulations to all, and see you next year.



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