

## **ECONOMIC POLICIES, TRADE INTEGRATION AND SUSTAINABLE JOB CREATION A VIEW FROM THE MEDITERRANEAN COUNTRIES**

Conference organised by the European Institute of the Mediterranean (IEMed),  
*Banco de España* and the Central Bank of Tunisia

Mövenpick Hotel Gammarth, Tunis, 16 November 2018

### **PROGRAMME**

	<b>THURSDAY 15, November</b>
19h30	<b>Dinner offered by the Central Bank of Tunisia</b>
	<b>FRIDAY 16, November</b>
08h30	<b>Accreditations and coffee</b>
09h00	<b>Opening Session</b> <b>Marouane El Abassi</b> , Governor Central Bank of Tunisia <b>Pablo Hernández de Cos</b> , Governor of Banco de España <b>Senén Florensa</b> , President of the Executive Committee, IEMed. Ambassador Permanent Representative to UN and the International Organizations in Vienna

09h30

### Coffee break

09h45

### Central banks, macroeconomic stability and economic growth

Price and financial stability are key elements for achieving sustainable long-term growth. Attracting private investment, both domestic and foreign, requires economic stability. Central banks can contribute to creating a stable economic environment, key to investment and job creation, through sound monetary and exchange rate policies.

- What do central banks on both shores of the Mediterranean see as the main challenges for monetary policy at the current juncture?
- How exposed are MENA economies to rising global interest rates? What are the key trade-offs facing monetary policy in these countries, also in those facing civil conflicts, when both inflation and unemployment are high, managing the exchange rate without running down international reserves is challenging and there are also rising debt levels?
- Given the actual flattening of the Phillips curve in most developed countries, to what extent could central banks still influence the prices versus activity relationship in a context of monetary policy normalisation?
- What monetary policy could do to help sustain the investment recovery? Should central banks promote financing for specific agents, i.e., SMEs?

### Chair

**Pablo Hernandez de Cos**, Governor of Banco de España

### Speakers

**Abdellatif Jouahri**, Governor of Bank Al-Maghrib

**Sadiq al-Kabir**, Governor of the Central Bank of Libya

**Marc-Olivier Strauss-Kahn**, Managing director and special Adviser of the Governor, Central Bank of France

11h15

### Coffee break

## Economic policies and sustainable job creation

Against the backdrop of increasing social unrest and international pressure, governments around the Mediterranean face the double challenge of strengthening long-term economic growth and restoring macroeconomic balances while tackling social inequalities. Macroeconomic stabilization through austerity measures usually involves more sluggish growth and higher unemployment in the short-term. Many voices have supported counter-cyclical measures, public expenditure and fiscal reform as potential means for balancing economic prosperity and the protection of citizens. However, policymakers can face difficult trade-offs in pursuing such policies when at the same time attempting to stabilize potentially risky public debt dynamics.

- To what extent globalisation and new technologies contribute to understand recent labour market developments? Through which channels?
- How do current economic and financial conditions affect assessments of the role of fiscal policy and structural reform to foster job creation? How much fiscal space do countries have?
- What is the role of public expenditure on triggering inclusive growth in a post-crisis context?
- Which mid and long-term perspectives for job creation might follow financial stabilization?

### Chair

**Rachid Maaninou**, Deputy Secretary General, Business Development and Employment, Secretariat of the Union for the Mediterranean (UfM)

### Speakers

**Aurèlia Mañé**, Full Professor, University of Barcelona (UB)

**Rym Ayadi**, President, Euro-Mediterranean Economists Association (EMEA). Honorary Professor at CASS Business School, City University of London

**Mongi Boughzala**, Emeritus Professor, University of Tunis El Manar. Member of Forum Euroméditerranéen des Instituts de Sciences Economiques (FEMISE)

**Radhi Meddeb**, President and General Manager, COMETE Engineering

13h00

## Lunch

14h00

## Central banks, financial development and financial stability

In its role as bank supervisors in many countries, central banks also contribute to financial stability by ensuring that individual financial institutions and the system as a whole remain sound and well supervised. In an environment of increased economic and financial integration, central banks need to pay attention to global risks and domestic spillovers, and develop a forward looking vision that adapts to rapid technological change. Traditional objectives such as promoting financial inclusion remain important challenges for countries at different levels of economic development. In addition, after the global financial crisis an ambitious financial regulatory reform agenda has been developed to increase the resilience of the financial sector without hampering economic growth.

- What are the implications of the current configuration of macro-financial risks and vulnerabilities for the conduct of monetary and macroprudential policies?
- How important have monetary and financial spillovers from advanced economies become for the conduct of monetary policy in Mediterranean countries as compared to domestic drivers?
- How central banks assess the progress in the implementation of the financial regulatory reform agenda? What are the main remaining challenges? How to better combat money laundering?
- How should central banks react to new technology-related challenges such as new fintech players and instruments or cybersecurity issues?

### Chair

**Marouane El Abassi**, Governor Central Bank of Tunisia

### Speakers

**Mohamed Loukal**, Governor of the Bank of Algeria

**Luigi Federico Signorini**, Deputy Governor, Bank of Italy

**Livio Stracca**, Deputy Director General International and European Relations, European Central Bank (ECB)

15h30

### Coffee break

15h45

### Boosting economic spillovers through Domestic Value Chains

Economic recovery in some Mediterranean countries has largely relied on their performance within Global Value Chains. However, the relationship between transnational corporations and the rest of the economic structure remains, in many cases, asymmetric. Not only do TNCs benefit more from preferential access to finance than SME's do, but also their settlement is often guided by logistics and costs of factors rather than by the sectoral structure or economic specialization of the host country. In this regard, besides the fact that job creation remains limited to the specific needs of TNCs, domestic chains of production become increasingly weak and Marshallian spillovers decay overtime. In such context, the path towards endogenous sustainable development is hampered by growing inequalities and unresolved socioeconomic imbalances.

- How could macroeconomic and microeconomic policies foster domestic value chains between TNCs and SMEs?
- Which policy responses are needed to get the most out of increasing global economic integration and technological innovation?
- Which mechanisms of coordination are needed for a coherent regional approach?

### Chair

**Jaloul Ayed**, Former Minister of Finance, Tunisia

### Speakers

**Adnan Seric**, Research Manager, United Nations Industrial Development Organization (UNIDO)

**Isabelle Joumard**, Deputy Head of Division, Senior Economist, India and Tunisia Economics Department, OECD

**Samir Majoul**, President, Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat (UTICA)

**Giorgia Giovannetti**, Professor, University of Florence and European University Institute

17h15

### Closing session

**Marouane El Abassi**, Governor, Central Bank of Tunisia

**Guillermo Ardizone García**, Ambassador of Spain to Tunisia

**Pilar L'Hotellerie-Fallois**, Associate Director General of International Affairs,  
Banco de España

**Josep Ferré**, Acting Director General, European Institute of the  
Mediterranean

19h00

### Reception offered by the Spanish Ambassador in Tunis

#### Invited Experts

**Mustapha Kamel Nabli**, Former Governor of the Central Bank of Tunisia

**Ayari Chedly**, Former Governor of the Central Bank of Tunisia

**Rached Bouaziz**, Dean, Faculté des Sciences Economiques et de  
Gestion de Nabeul, Université de Carthage

**Fatma Siala Guerhazi**, Professor, Sciences Economiques, Université  
Tunis El Manar

**Fethi Nouri**, Professor of Economic Sciences, Université Tunis El Manar

**Hechmi Alya**, Docteur, Ingénieur Conseil

**Abdelkader Boudrigua**, President, Comité Risque, Amen Bank

**Mahmoud Sami Nabi**, Professor of Economics, University of Carthage

**Mongi Safra**, Professor of Economic Sciences, Université Tunis El Manar

**Mehdi Sethom**, Founding partner of Mediterranean Corporate Finance