



Africa Meeting of the Econometric Society

Introductory Speech of Mr. Abdellatif Jouahri

Governor of Bank Al-Maghrib

Rabat, July 11 2019

Honorable guests,

Distinguished researchers and professors,

Dear friends and colleagues,

Ladies and gentlemen,

First of all, I would like to assure you that I will not venture giving a lecture in front of such an audience. I am here today more to listen.

That being said, I would like to start by expressing how pleased I am to welcome you in Bank Al-Maghrib and to wish our visitors from abroad a wonderful stay in Morocco.

I would also like to thank all officials for joining us, the distinguished researchers for kindly accepting to speak at the plenary sessions and the mostly-young researchers for coming from different spheres to present their works.

I also extend my warmest thanks to Econometric Society which approached us to organize this conference, thus paving the way for a valuable cooperation between both teams.

We view this meeting as an opportunity for us as a central bank, as well as for all the national institutions here represented today, to inquire about the progress made in economics research, namely with regard to quantitative economics. It is also an opportunity to strengthen the bonds with the academia and initiate new cooperation relationships.

Among all the scientific meetings that we have organized so far, this event holds a particular importance, in view of the strong participation of African researchers and of its focus on the economic issues of the Continent.

For several years now, Morocco has been committed to a policy of openness to Africa to further reinforce their ties, already strong by history, geography and culture, and to promote a win-win co-development in all fields. As a central bank, our contribution lies in accompanying the banking system in its expansion and in maintaining a broad cooperation with several similar institutions of the continent. Today, we are pleased to pursue this contribution for the benefit of research.

Ladies and gentlemen,

Africa, as we know, performs poorly in the field of research. The Continent, now home to nearly 17 percent of the world's population and more than one quarter by 2050, produces only 5 percent of the wealth, measured by the purchasing power parity, and contributes to the world's scientific publications by no more than 2.6 percent, according to the latest UNESCO Science Report published in 2015.

In Morocco, we are well aware that developing human capital and research is not an easy task. Despite the strong will and a budgetary effort of around 6 percent of GDP, we still struggle to put our education system on track to provide the skills adequate for the labor market and to develop research and innovation.

Amid an increasingly competitive world, constantly reshaped by deep-seated changes which alter the classical paradigms, investing in research and innovation is no longer a luxury, but a necessity. It is the path towards

achieving the rapid and sustainable growth Africa needs to meet the aspirations of its population, especially the youth. It is also the only alternative to prevent the divide with the advanced countries from widening further.

In areas such as economy and finance, there is a huge need for cutting-edge research that takes into account the specificities of Africa. No one can deny the laudable initiatives and projects focusing on Africa, such as the one carried out between 2007 and 2014 by the U.S National Bureau of Economic Research (NBER), nor the establishment, within prestigious universities, of centers dedicated to Africa. However, the continent should enhance its own skills and develop its national capacities.

Central banks are particularly aware of this challenge. Monetary policy decision-making requires a thorough understanding of the economy and its performance drivers. To this end, we need to build up models which draw on the most recent advances in economics, while taking into account our realities, oftentimes different from those of advanced countries. As such, we are facing two major challenges.

The first one is related to the lack of knowledge as to the mechanisms underlying the functioning of our economies, on which we can capitalize. We therefore called upon to develop our own formalization of the economy from scratch. The second challenge is that economic modeling requires reliable and regular data. This entails significant financial and human resources that are sorely lacking in statistical institutes in several countries.

In this respect, I think that central banks, owing to their autonomy, can play an important role in research development and have a ripple effect on its ecosystem. This is exactly what we are trying to do in Bank Al-Maghrib.

In fact, we have always put research and human capacity building at the core of our strategic plans. Thus, alongside the various operational entities, we have set up since 2007 a division dedicated to research, whose task is to reflect on all strategic matters and issues related to the Bank's missions.

Several cooperation programs were developed with the national and international academia, as well as with many central banks around the world. More particularly, we have launched the "fellow researcher" program which allowed the Bank's executives to collaborate with experts from central banks of other countries such as the United States, Canada and Poland, and I hope we will soon be able to extend this cooperation to African researchers.

In addition to our institutional publications, a series of working papers were drawn by the Bank staff, and are gradually becoming a reference for research in various areas directly or indirectly related to our missions.

Moreover, the Bank organizes a series of timely or regular scientific meetings, such as the International Days of Macroeconomics and Finance, which we hold each year.

Ladies and gentlemen,

A mere glimpse into the conference program can show us how proud Africa can be of its diaspora, which has succeeded in positioning itself in the best universities in the world. This great potential can be harnessed by integrating some Africa-specific issues in its research agendas, and strengthening the ties with the African academic institutions.

National authorities, for their part, have an important responsibility in this respect. They are called upon to put in place enabling frameworks that are flexible enough to attract this diaspora and benefit from its skills.

In our view, it also falls upon the international cooperation to strongly support Africa through this path, by systematically expanding its programs and including a component dedicated to enhancing research capacities.

This becomes all the more important today as Africa has launched a major project of economic integration, namely the African Continental Free Trade Area, whose success is determined by taking into consideration other related fields, particularly research and teaching.

Ladies and gentlemen,

In conclusion, I would like to highlight the great interest aroused in our country by holding such a scientific conference which brings together many eminent researchers and professors here present today. I take this as a gesture of support and encouragement, but also as a sign of confidence in the future of research both in Morocco and Africa.

I wish full success to this conference and I thank you all for your attention.