

Professor Akacem
Econ 4999-004
Fall 2007

POLITICAL ECONOMY OF THE MIDDLE EAST

Office: Econ 115

Office Hours: 1:30 p.m. to 2:45 p.m.

Monday and Wednesday

and by appointment.

Prerequisites for this course: Econ 3070 and Econ 3080. If you signed up for this course but have not taken these courses, I will assume that you are able to follow the discussion and material coverage on economic policy and theory covered in the pre-requisites. This will also be necessary for your paper and final exam, since you need to show your understanding of the major economic issues for the country or region that you choose.

Objective of the Course:

This course will deal with the overall political economy of the Middle East. Your participation is not only encouraged, but it is a MUST. The course will rely on both lectures as well as your input, discussions and presentations you will be evaluated on your readings assigned to the class. I will call upon you and you will be assessed together will your overall participation. If you are absent without an acceptable excuse, per the syllabus policy, the assigned grade for that part of the participation will be zero. The same if you have not read the assignment.

The course has several objectives:

First, the course will help you understand and discuss the relevant issues that are important to this region as well as its strategic importance to the West and the United States. The region is often associated with oil, Islam, the Palestinian-Israeli peace process-or conflict- and overall instability that takes place in different parts of the area. This instability ultimately has an impact on the World economy and our understanding of this region will help enhance our understanding of the global economy. Through class discussion, readings and presentations, we will try to focus on the main issues as well as use current events to highlight and emphasize topics that are important to our class.

Second, the course will also help you identify the religious, historical, social, political, economic and security issues that affect the region as a whole. Again, students are encouraged to read the papers (print and via the Web) to discuss ongoing developments either for the whole region or developments that affect their particular country or countries. The emphasis will be on the economic development, policy and overall economic issues facing your country or region of interest.

Third, we will also make an attempt to compare the Economic and Political developments in the region with other regions of the world. Has democracy taken hold? Why or why not? Has the region achieved sustainable economic growth and development? Why or why not? Finally and the schedule allows for it, I will invite a number of outside speakers who will speak to the class on specific topics, such as the role of Islam, politics in the region, the economic models chosen by these countries and why, and other topics by people who have lived in the region.

Fourth: At least two thirds-or more- of your paper will have to deal with economic issues of the country, region, topic at hand. Remember, this is an Econ course.

Fifth: E-Reserves has a number of articles posted on it. These will be assigned in class as the material and the topic as well as the events are fluid and change so we need to be flexible. The list of articles will be expanded.

Main Sources:

1. Political Economy of the Middle East, Second Edition, by Alan Richards and John Waterbury, Westview Press, 1998. Recommended chapters for your projects and papers:

Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11. The book will left on Reserve at the library.

International Monetary Fund: Regional Economic Outlook, September 2006 and 2005 found respectively at:

<http://www.imf.org/external/pubs/ft/reo/2006/eng/01/mreo0506.pdf>

<http://www.imf.org/external/pubs/ft/reo/2005/eng/meca0905.pdf>

Special issue of Finance and Development on the Middle East and North Africa @:

<http://www.imf.org/external/pubs/ft/fandd/2003/03/index.htm>

Other Sources and Reports:

2. Arab Human Development Report 2003, United Nations Development Program, 2003 found at:

<http://www.miftah.org/Doc/Reports/Englishcomplete2003.pdf>

Or:

<http://hdr.undp.org/reports/>

and the UNDP Information Portal Dedicated to Development and Governance in the Arab Region at:

<http://www.pogar.org/>

3. Arab World Competitiveness Report 2002-2003, The World Economic Forum, Geneva, 2003 and other more recent ones. You may have to order some of these:

<http://www.weforum.org/en/events/middleeast/ArabWorldCompetitivenessReport/ArabWorldCompetitivenessReport>

4. For data on the region from the UNDP and the Human Development Reports and Development indicators for the region:

<http://hdr.undp.org/statistics/data/>

5. An authoritative source for international oil data from BP and other sources:

<http://www.bp.com/productlanding.do?categoryId=91&contentId=7017990>

The Joint Oil Data Initiative:

<http://www.jodidata.org/FileZ/ODTmain.htm>

Energy Information Agency:

<http://www.eia.doe.gov/>

International section of the EIA:

<http://www.eia.doe.gov/emeu/international/contents.html>

EIA's country's analysis briefs:

<http://www.eia.doe.gov/emeu/cabs/contents.html>

The International Energy Agency (Paris) (do not confuse with the EIA, part of the US Department of Energy)

<http://www.iea.org/>

The Oil and Gas Journal:

<http://www.ogj.com/index.cfm>

The Oil and Gas Journal International:

<http://www.oilandgasinternational.com/>

6. The Arab Social Science Research:

<http://www.assr.org/>

7. **The Gulf 2000 Site:** Covers the following countries: Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates found at:

<http://gulf2000.columbia.edu/>

8. **The IMF and the World Bank Middle East sites:**

The IMF:

<http://www.imf.org/>

Page where the list of recent Article IV reports are found:

<http://www.imf.org/external/np/sec/aiv/index.htm>

Country information page:

<http://www.imf.org/external/country/index.htm>

Finance and Development:

<http://www.imf.org/external/pubs/ft/fandd/2006/09/index.htm>

The World Bank:

<http://www.worldbank.org/>

Special page on the Middle East and North Africa:

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/0,,menuPK:247603~pagePK:158889~piPK:146815~theSitePK:256>

9. Other Websites:

The International Crisis Group <http://www.crisisgroup.org/home/index.cfm>

Middle East Studies Association <http://www.mesa.arizona.edu/>

University of Texas, Austin <http://menic.utexas.edu/menic.html>

Harvard University <http://www.fas.harvard.edu/~mideast/>

There is one site out of Egypt whose address: <http://www.erf.org.eg/>. It also carries reports on the whole region.

10. Optional from the library and for your paper projects:

Peter Mansfield, [A History of the Middle East](#)

H.W. Brands, [Into the Labyrinth: The United States and the Middle East, 1945-1993](#)

Ian J. Bickerton and Carla L. Klausner, [A Concise History of the Arab-Israeli Conflict](#) (4th edition)

James F. Hoge, Jr. and Gideon Rose (editors), [How Did This Happen? Terrorism and the New War](#)

Read the National Security Directive 54, ordering the U.S. attack on Iraq -- available from the National Security Archive:

www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB21/06-01.htm

I have the whole document and I can try to have you access it on the web from my site but you should read part or the whole CIA document on the 1953 as published by the New York Times:

<http://www.nytimes.com/library/world/mideast/041600iran-cia-index.html>.

The Politics of Oil: see F. Gregory Gause, III, [Oil Monarchies](#), chapter 3 on "Oil and Politics." Available from McGill University-Universite de Montreal Interuniversity Consortium on Arab Studies:

<http://www.arts.mcgill.ca/programs/icas/gause/chapter3.html>

Democracy in the Arab World, see Daniel Brumberg, "Liberalization versus Democracy: Understanding Arab Political Reform,"

<http://www.ceip.org/files/pdf/wp37.pdf>

11. Other Sources:

You have to subscribe to (or have access to) either [The Wall Street Journal](#)

, [The New York Times](#) or [The Economist](#) and [The Financial Times](#).

"The 9/11 Commission Report" for those who are interested to look at it, found on the web at: <http://www.gpoaccess.gov/911/>

We will be viewing a number of case studies, the order of which will be determined after we clear the presentation schedule and the topics from the class.

Newspapers from the Region:

12. <http://www.uae-pages.com/me-newspaper.htm>, some papers are in Arabic, just ignore those (some of you may be able to read Arabic but most probably won't.)

COURSE OUTLINE:

Week One: Introduction, discussion of sources, and topic discussion

Week Two: Saudi Arabia: The Saudi Question: What are the economic and political choices for Saudi Arabia?

Week Two: Continued: Begin Intro lecture on the key issues on economic policy of the region

Waterbury, chapter 8

Week Three: Chapters 1 and 2 from the 2005 IMF regional report <http://www.imf.org/external/pubs/ft/reo/2005/eng/meca0905.pdf> and the 2006 reports (complete) at: <http://www.imf.org/external/pubs/ft/reo/2006/eng/01/mreo0506.pdf>

Week Four: Will continue with the IMF special reports on the region.

Week Five: IMF's Financial and Development. Unfulfilled promise @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/abed.htm> and Living Better @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/eken.htm>

Week Six: Labor Markets @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/gard.htm> and @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/benn.htm>

Week Seven: Banking and Financial Markets: @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/crea.htm>

Islamic Banking: Timur Kuran's article in E-Reserve (Islam and Mamun), Akacem's article on IS banking on E-Reserve and from the newly published book on Islam and Globalization as well as other sources which will be discussed in class.

Week Eight: Foreign Exchange Markets and exchange rate regimes: @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/jbil.htm> and @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/cash.htm> and chapter 3 from the IMF's 2005 report @ <http://www.imf.org/external/pubs/ft/reo/2005/eng/meca0905.pdf>

Week Nine: Future Generations' Funds and the Management of Oil Wealth: Akacem and Miller: OPEC: A Property Rights Perspective on E-Reserve IMF, Finance and Development on Managing Oil Wealth @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/eife.htm> and @ <http://www.imf.org/external/pubs/ft/fandd/2003/03/barn.htm> and from the IMF's 2005 report @ <http://www.imf.org/external/pubs/ft/reo/2005/eng/meca0905.pdf>, table 2.2, page 22 and 25 on the Objectives of the future Oil funds

Week Ten and the first class of week 12th: "Oil in Troubled Waters" from the Economist On E-Reserve, Lecture material on property rights theories and Case Studies if times permits.

Week 11: Presentations country studies

Week 12: Presentations country studies

Week 13: Fall Break and Thanksgiving

Week 14: Presentations of country studies

Week 15: We should be done with the presentations by this week. We will proceed with more case/studies and new material.

Grading:

Each student will have to complete the following:

1. The paper will count for 30% of your grade. The paper should be between 20 and 25 pages, double spaced NOT counting the title page and the bibliography. Remember, that is the maximum. It is the content that counts, however. If you have an appendix, that is not counted in paper size. Each student will do one project. The paper needs to emphasize the economic policy aspects-and political and religious when necessary but the emphasis should be on the economic analysis- and be analytical and NOT descriptive. What the major economic problems facing your country? How did it face them? What sorts of economic policy (ies) were followed to address them? What would you recommend? You need to have a clear paper backed up by data and very good sources. Relying on Web sources only will not do.

You need to have a solid list of resources such as scholarly articles, books, reports, etc... If need be, your paper will address the different issues facing the given country (economic, social, religious, political, military etc...) and produces an outlook for the future (not necessarily a forecast). Given the region under study, you may choose to do something on oil and its importance to the region and the world economy. Dependence on oil by the region is also a topic worthy of consideration.. Remember, you need to make sure that your paper is well written, complete with references and footnotes and a bibliography. Do not merely summarize what reports already written by others. You need to have a clear thesis and a theme, argue your case and come with policy recommendations. If you need help, consult me and the Writing Center for help. All papers will be submitted to Turnitin.com.

You should submit a paper copy, with title page and a complete bibliography. The latter should have three parts: 1. Scholarly articles, 2. Books and 3. Acceptable web sources. In addition, you should hand in a CD with both your presentation AND your paper on it by the Last Day of class, Wednesday December 12th, 2007 or before if you are done. Late paper will be graded down by one letter grade.

2. By the end of the first week of class, each student should hand in a typed two or three page outline/proposal for their topic. This should include a detailed outline, thesis, methodology and data sources. These should NOT be all web sources.

A Manual for Writers of Term Papers, Theses, and Dissertations, by Kate. L. Turabian, University of Chicago Press
Please consult. Failure to have a proper bibliography will reduce your grade.

Remember that plagiarism is a serious offense and it will be reported to the Honor's Code office as well as to the Dean's office. Check the policy on this issue at:

<http://www.colorado.edu/policies/acadinteg.html>

The overall grade distribution will be as follows:

Grade 100% scale

A 93.4-100

A- 90.0-93.3

B+ 86.7-89.9
B 83.4-86.6
B- 80.0-83.3
C+ 76.7-79.9
C 73.4-76.6
C- 70.0-73.3 =
D+ 66.7-69.9
D 63.4-66.6
D- 60.0-63.3
F less than 60

3. Attendance and class participation both in class will count toward the final grade. Attendance means being in class on time. Being late will count as absent. Not having read the assignments for the day will count as an F for that component of the course. We will be discussing different current issues, news articles, current events etc...

The class participation will count for 15% of your grade, mostly on class discussion, material that has been assigned per the syllabus. When called upon, you are expected to show that you have read the material and will be graded accordingly. If your name is called and you are not in class or have not read the material, the grade is an F. Asking questions does not constitute class participation. You have to be fully engaged and show that you are keeping up with the material and have read it and comment/critique it. The same applies to the presentations of other students. You are expected to have read in advance and be prepared to ask/challenge/add/critique a presentation. The resulting class participation grade is an average of the in class participation and your response(s) when called upon to comment on the reading assignments for that day/week.

Attendance will count for 15%. However, not being in class will automatically be reflected in a class participation. If you attend LESS than 90% of the time, your attendance and participation will drop by one letter grade. Missing two classes in a row, will also result in the same drop in grade, unless the absence is documented.

4. The presentation will count for 10%. Prior to finishing your final paper, you will have to make a presentation and get feedback from the class. Based on the comments from the class and myself, you will be able to put the finishing touches on your paper. The presentation has to be comprehensive. By that, I mean you are expected to present your thesis, your findings, predictions, what you learned from the project etc... I highly suggest that you bring in a detailed outline to be presented to the class, as well as encourage you to use transparencies if need be. We will work out a schedule during the first week of classes.

5. The exam which will count for 30%. The exam will cover all the material presented from week 1 until and the material to be covered will be given to you in class early enough. In order to do really well in the exam, you need to keep up with the lectures, reading material and any assignments given in class.

The Exam is on: December 17th from 7:30 p.m. to 10:00 p.m. Please be on time. The exam will not be given once a student finishes and leaves the room.

Please check to make sure and verify this exam date/time as well as others by going to:

http://registrar.colorado.edu/calendar/exam_sched_fall07.html

Recap: Assignments and assessment:

One paper: 30%
Class participation: 15%
Attendance: 15%
Presentation: 10%
Exam: 30%

Religious holiday ADA policies will be followed and abided to. If you have an ADA need, please let me have the letter from the DSO so that I can accommodate you. This should be done in the first two weeks of the semester.