Abstract

Energy intensity in oil and non-oil exporting countries

Ali Reza Eghbali
Assistant Professor, Economics Department, Payame Noor University, Iran

Reihane Gaskari
Assistant Professor, Economics Department, Payame Noor University, Iran (rgaskari@gmail.com)

Mahdis Moradi
MA in Economics, Iran (moradi.mhds@gmail.com)

Hadi Parhizgari
MA in Economics, Iran (hadi9131@yahoo.com)

Received: 2013/10/26       Accepted: 2015/03/10

Abstract

This paper examines the factors that influence energy intensity - the ratio of energy consumption to GDP - in 42 oil exporting and none-oil exporting countries over the period 1985 to 2009. The research applies panel data models to analyze the impacts of oil price, GDP, exchange rate, CO2 emissions, population, surface area and productivity on energy intensity. An attempt is made in this paper to assess TFP by using DEA software using both parametric and non-parametric statistics at the same time. The results show that in both groups of countries, energy intensity reacts negatively to an increase in GDP and positively to an increase in population and surface area. The results also show that energy intensity responds positively to a hike in exchange rate in oil producing counties and negatively in non-oil exporting countries.

JEL: C59, O33, Q40

Keywords: energy intensity, gross domestic product, oil price, panel data, total factor productivity.

* Corresponding Author: areghbali@yahoo.com
Analyzing dependency of subjective well-being in developing countries on macroeconomic factors

Farhad Nili
Director of Monetary and Banking Research Institute (MBRI), Iran (f.nili@cbi.i)

Behzad Babazadeh Khorasani*
PhD Candidate in Economics, University of Tehran, Iran

Mohammad Saeid Shadkar
PhD Candidate in Economics, University of Tehran, Iran (m_s_shadkar@ut.ac.ir)

Received: 2013/10/26       Accepted: 2015/03/10

Abstract
In macroeconomic studies, social welfare is assumed as a function of inflation and unemployment. Although the social welfare function which is dependent on unemployment and inflation variables has been used widely in macroeconomic theories, this relation needs to be tested through empirical observations. This paper, using variables such as economics of happiness area and subjective wellbeing data of 44 developing countries, shows the negative effect of unemployment and inflation rate on subjective well-being of these countries. Also it has been shown that 1 percent increase in total unemployment rate has more effect in decreasing welfare than a one percent increase in inflation rate.

JEL Classification: E24, E31, I38, J68, O11
Keywords: developing countries, economics of happiness, inflation, subjective well-being, unemployment.

* Corresponding Author: b_babazadeh@ut.ac.ir
Abstract

A survey on the situation of income distribution and its diversity and impact on the economy of rural households
(Case study: Alamout Region)

Abozar Parhizkari*
PhD Candidate in Agricultural Economics, Researcher of Agriculture and Natural Resources
Research Center of Qazvin Province and the Member of the National Foundation of Elites,
University of Zabul, Iran

Mehrnoush Mirzaee
PhD Candidate in Agricultural Economics, Agriculture and Natural Resources Research Center of
Qazvin, Payame Noor University, Tehran, Iran (mehr_mirza@yahoo.com)

Sefatollah Rahmani
PhD Student in Agricultural Economics, Scientific Member of Agriculture and Natural Resources
Research Center of Qazvin Province, Payame Noor University, Tehran, Iran (s.rahmani62@gmail.com)

Mohsen Alini
Associate Professor and Committee Chairman of the Socio-economic and Promotions, Iran
(ma_200721@yahoo.com)

Received: 2014/05/17       Accepted: 2015/03/10

Abstract

Distribution and diversity of income in rural regions according to the characteristics of households and in the framework of sustainable livelihood must be investigated. In this study, in order to investigate the status of income distribution and diversity and its impact on the economy of rural households in Alamout region, Multinomial Logit Model has been used. The required dates are related to period of 2012-2013. Using the regulatory questionnaires, the required data have been collected from 127 sample households. The result shows that share of income from livestock-agricultural activities is the most important factor of income inequality in Alamout region. In terms of influential effective variables, a significant difference was observed in levels one and five percent between different parts of income (agricultural, livestock, secondary and combined). Also, the result shows that coefficients of explanatory variables in Multiple Logit Model are not equal with zero with the probability of more than 95 percent simultaneously, showing the appropriateness of functional form in all estimates. Also, the Multinomial Logit Model became significant in high level of likelihood ratio test statistics and maximum probability values (0.079) obtained for the agricultural income sector. At the end, in order to create income diversity for rural households and transfer income from the agriculture sector to other sectors, sufficient investment in education, coordinating redistribution activities of executive agencies and creating small manufacturing firms in Alamout region are recommended.

JEL Classification: C35, D33, O18, R12.

Keywords: Alamout, income diversity, Multinomial Logit Model, rural livelihood.

* Corresponding Author: Abozar.parhizkari@yahoo.com
The effect of foreign direct investment, real exchange rate and economic liberalization on non–oil exports in I.R.Iran (using Toda Yamamoto Causality Test)

Khosrow Pirae
Associate Professor, Faculty of Economics, Islamic Azad University of Shiraz, Iran  
(kh.piraee@gmail.com)

Mona Tasan*
PhD. Candidate of Economics, Faculty of Economics, Islamic Azad University of Shiraz, Iran

Mohammad Daneshnia
Internal Business Expert of Industry, Mine and Trade Organization, Jahrom Office, Iran  
(mohammad.daneshnia@gmail.com)

Received: 2013/08/22   Accepted: 2015/03/10

Abstract
The economy's dependence on oil revenues and derivatives of its products make the country's economy heavily influenced by the volatility and instability of the pricing of these products. Therefore, it seems necessary to develop non-oil exports. This paper examines the causality relation and the effect of foreign direct investment, economic openness and real exchange rate on non-oil exports in I.R. Iran. Using annual data covering over the period 1974-2008, vector auto regressive method and Toda- Yamamoto causality test, it is shown that significant and positive effect exists between openness of economy, foreign direct investment, and real exchange rate on non-oil export variable. Moreover, the existence of a single causality relation based on real exchange rate and economic openness to non–oil exporting has been proved.

JEL: F19, F21, F31, F41
Keywords: foreign direct investment, non–oil exports, real exchange rate, Toda- Yamamoto causality test, vector auto regressive method.

* Corresponding Author: m.tasan@yahoo.com
Abstract

The current study aims to estimate the protection value of Gavkhony Wetland ecosystem attributes using Choice Experiment approach and Conditional Logit model. The required data was extracted from six different Choice Experiment questionnaires filled out by 500 random households in Isfahan and Varzane city. Each questionnaire contained 72 hypothetical policies (options), 36 choice sets, 2442 observations and 7327 rows of data. The results based on Conditional Logit model, Lancaster's theory of value and the theory of random utility function showed that the visitors have willingness to pay for preserve forest diversity and vegetation of wetlands, preservation of natural habitats and organisms life of wetland (birds, fish and animals), Wetland hygiene (preventing industrial, domestic and preventing effluents and water salinity) and increasing the water surface (increasing wetland water inlet) as much as 1080, 1670, 1460 and 559 Toman, respectively. The socio-economic variables such as age, marriage, indigenous, family size, monthly family expenditure and education have positive impact on visitors' willingness to pay. The results of surplus welfare calculation calculated for ten hypothetical policies provide important practical tools for policy makers.

JEL Classification: Q51, Q53, D46, D62

Keywords: choice experiment, Conditional Logit Model, Gavkhony Wetland, Lancaster theory.

* Corresponding Author: sparviz.jalili@gmail.com
The causality of crude oil price and alternative energy supply (Toda and Yamamoto Test)
Kioumars Heydari

Assistant Professor, Energy Economics Researcher and Direct General of Economics Survey Bureau

Received: 2013/04/28        Accepted: 2014/09/30

Abstract
As a result of higher crude oil prices, on the one hand, it is expected that alternative energy resources consumption be increased and consumers change their behavior aiming to decline energy intensity too. On the other hand, more alternative energy consumption can lead to the decline of crude oil aggregate demand. Therefore, existence of mutual causality between crude oil price and alternative energy consumption is the main question of this research. To answer this question, an auto regressive model by Toda & Yamamoto test has been used. Research data have been selected from world economics during 1969-2011. The results indicate bidirectional causality between crude oil price and alternative energy supply while no causality was observed between energy intensity and alternative energy. Finally, the results reveal that there is a unidirectional causality from crude oil price to energy intensity.

JEL Classification: Q31, Q41, Q42
Keywords: alternative resources, crude oil, world GDP, energy intensity, granger causality, Toda and Yamamoto.

Email: kheydari@nri.ac.ir
Abstract

National currency depreciation or appreciation has always been argued seriously among policymakers since changing in exchange rate could cause improvement or deficit in trade balance. These changes affect the trade volume of a country in both short-run and long-run. Long-run effects are recognized as the Marshall-Lerner condition, while short-run effects are analyzed by two concepts: J-Curve and S-Curve. In this study, the cross correlation has been calculated between trade balance and real exchange rate by using bilateral trade data between Iran and 21 selected trading partners over the period 1992-2011 in order to explore the existence of S-Curve in Iran. Based on the results, there is an S-Shaped curve for the Iranian trade relations with 14 major trading partners. However, this pattern does not match in relations with Syria, Pakistan, Qatar, Armenia, Kuwait, Azerbaijan, Canada, US and Hong Kong. Furthermore, the empirical results confirm Harberger-Larsen-Metzler effect in Iran’s trade relations with most of its trading partners. According to the results obtained, changes in exchange rate lead to a temporary improvement in Iran’s balance of payments, but this improvement reduces the exchange rate after a while.

JEL Classification: F1 -F14 -O24
Keywords: cross correlation, Harberger-Larsen-Metzler effect, real exchange rate, S-Curve.

* Corresponding Author: Sk.tayebi@ase.ui.ac.i
Degree of exchange rate pass-through on consumer prices under exchange rate misalignment (Case study: Iran)

Alireza Kazerooni*
Professor, Economics Department, University of Tabriz, Tabriz, Iran

Fatemeh Solaimani Alvanag
M.A. in Economics, University of Tabriz, Tabriz, Iran (solaimani_fateme@yahoo.com)

Received: 2012/02/12   Accepted: 2014/09/30

Abstract
The main objective of this paper is to investigate the impact of exchange rate pass-through on consumer prices under exchange rate misalignment in Iran during 1353-1387. For this purpose, the exchange rate misalignment has been extracted using ARDL method and then the effect of exchange rate and exchange rate misalignment on CPI has been estimated. The results show that the degree of exchange rate pass-through (ERPT) in the short term is very small and equal to 0.07 and in the long-run ERPT is equal to 0.42. It indicates that the impact of the ERPT on the CPI in long run is more than that of the short run in Iran. Also, the results show that exchange rate misalignment increases the consumer price index.

Keywords: consumer price index, equilibrium real exchange rates, exchange rate misalignment, exchange rate pass-through.

* Corresponding Author: ar.kazerooni@gmail.com
Comparing demand systems in explaining Iranian urban households consumption behavior
Parviz Mohammadzade*
Associate Professor, Economics Department, University of Tabriz, Tabriz, Iran
Davood Behboodi
Associate Professor, Economics Department, University of Tabriz, Tabriz, Iran
(shekmati@urmia.ac.ir)
Samad Hekmati Farid
Assistant Professor, Economics Department, University of Urmia, Iran
(dbehbudi@gmail.com)

Received: 2013/06/30     Accepted: 2014/09/30

Abstract
Selection of the best demand model for explaining consumer behavior is one of the most important issues in Microeconomic. In this paper, we introduce AIDS, CBS, NBR and Rotterdam model and estimate these models by Iranian urban households’ data over the period 1973-2012. Seemingly Unrelated Regression Method is chosen for estimation of 5 Groups of Commodities including Food, Housing, clothing, appliances and furniture and miscellaneous. In this survey, we calculate price and income elasticity for 5 commodity groups and we test Homogeneity and Symmetry conditions in each model. Results indicate that NBR Model is the best model for satisfying demand attributes in Iran.

JEL: D11, D12
Keywords: AIDS, CBS, demand systems, NBR, Rotterdam, Iran.

* Corresponding Author: pmohamadzadeh@yahoo.com
Using the Bayesian Causal Map to investigate the effective factors on inflation in Iran’s economy

Somayeh Naghavi*
Ph.D. Candidate of Agricultural Economics, Ferdowsi University of Mashhad, Mashhad, Iran

Nasser Shahnoshi
Professor, Agricultural Economics, Ferdowsi University of Mashhad, Mashhad, Iran (naser.shahnoushi@gmail.com)

Received: 2013/02/15   Accepted: 2014/03/09

Abstract
One of the most important objectives of any economic system is to achieve low and stable inflation and sustained economic growth. In this study, first, effective factors on inflation were identified using Bayesian causal map. Then, using Bayesian causal network and determining prior probabilities and posterior probabilities in different scenarios, the impacts of these factors on inflation in the Iran’s economy were investigated. Sensitivity analysis shows that the relationship of inflation with budget deficit, ratio private credit with gross domestic production, government debt, exchange rate, movement size and interest rate is positive and with economic growth is negative. Then, consistent with the research results, it can be said that if government budget is independent from oil revenues, it can be hoped that Central bank independence can be considered as a step towards disinflation in Iran’s economy.

JEL Classification: E3, E31
Keywords: Bayesian Causal Networks, inflation, Iran’s economy.

* Corresponding Author: som_naghavi@yahoo.com