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CYRUS CHRONICLE JOURNAL (CCJ):

Contemporary Economic and Management Studies in Asia and Africa



An imprint of the CYRUS Institute of Knowledge (CIK)



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

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Contemporary Economic and Management Studies in Asia and Africa

The flagship journal of the CYRUS Institute of Knowledge

**THE CYRUS CHRONICLE
JOURNAL (CCJ)**

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Purpose:

The CYRUS Institute of Knowledge (CIK) Journal is a refereed interdisciplinary journal. The editorial objective is to create opportunities for scholars and practitioners to share theoretical and applied knowledge. The subject fields are management sciences, economic development, sustainable growth, and related disciplines applicable to the Middle East, Central Asia (MENA) and North Africa. Being in transitional stages, these regions can greatly benefit from applied research relevant to their development. **CCJ** provides a platform for dissemination of high quality research about these regions. We welcome contributions from researchers in academia and practitioners in broadly defined areas of management sciences, economic development, and sustainable growth. The Journal's scope includes, but is not limited to, the following:

*Business Development and
Governance*

Entrepreneurship

Ethics and Social Responsibility

*International Business and Cultural
Issues*

International Economics

International Finance

Innovation and Development

Institutions and Development

Leadership and Cultural Characteristics

*Natural Resources and Sustainable
Development*

Organization and Cultural Issues

Strategy and Development

Women and Business Development

Authors are responsible for the views expressed and the accuracy of the facts provided. Authors' opinions do not necessarily reflect the position of the CYRUS Institute of Knowledge, the Editor, or the Editorial Advisory Board of **CCJ**.

Editorial Advisory Board Members:

Professor Tagi Sagafi-nejad is the editor of **CCJ**. Dr. Sagafi-nejad is ex-editor of International Trade Journal, the author, in collaboration with John Dunning of The UN and Transnational Corporations: From Codes of Conduct to Global Compact, (2008) and "The Evolution of International Business Textbooks" (2014). He was the Radcliffe Killam Distinguished Professor of International Business, founding Director of the PhD Program in International Business, and Director and Center for the Study of Western Hemispheric Trade at Texas A&M International University (2003-2013). Dr. Sagafi-nejad is well-known internationally and has outstanding credentials to develop The Cyrus Chronicle into a high quality publication. He will be assisted by an editorial board consisting of distinguished members from world-class institutions of higher learning, practice and industry.

Submission Process:

We invite authors to submit their papers and case studies to Editor@Cyrusik.org. We will have a quick turn-around review process of less than two months. We intend to begin with two issues per year consisting of about 5-8 papers and case studies per issue. The first issue is being planned for the fall of 2015. A selected number of papers submitted to the CIK conference will be double-blind reviewed for inclusion in **THE CCJ**. We intend to have special issues on themes that are within the scope of Journal. Also, we will have invited guest issues.

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Background:

This is a historical time for the mentioned regions, and The Cyrus Chronicle intends to offer what is most urgently needed. There is no question that organizations and businesses that are capable of analyzing and applying advanced knowledge in management sciences and development are in high demand, and especially during transitional periods. It is an unusual time in the target regions and the world, a time which requires active intellectual participation and contributions. It is the era of revolution in terms of communication, technology and minds for billions of people. It is a time for intellectuals, entrepreneurs, and philanthropists to help enlighten minds and therefore enrich the quality of life for millions. It is a time to focus intensely on the regions' historical characteristics, achievements, human and natural resources, and its significant deficit in development, management sciences, and democracy. CIK's vision, "to cultivate the discourse on human capital potentials for better living," is the appropriate response to current challenges, and the journal is a platform for sharing the perspectives of scholars and practitioner with a wider audience.

CYRUS associates tend to have a foot in two worlds. First, most of the associates possess a wealth of intellectual and experiential knowledge which is enhanced by their active involvement in business, consulting and scholarly research and collegiate teaching. Second, some associates are sons and daughters of the affirmation regions and possess an ethnic identity, language skills, and the insights only embraced by insiders. Third, most of the CIK board of directors' members and associates are well-known scholars, members of editorial boards of journals, and even editors. CYRUS possesses depth, breadth, and a competitive edge to successfully manage chronicle.

CYRUS is committed to developing knowledge that positively contributes to the life of the world citizens, especially, the target regions. CIK is a charitable, educational, and scientific organization that has been in operation since 2011. It is a secular and nonpartisan organization that has many scholars and practitioner as member.

For more information on the Institute, please contact: Editor@Cyrusik.org; Sagafinejad@loyola.edu; Nasgary@Cyrusik.org. *CYRUS Institute of Knowledge (CIK), Box 380003, Cambridge, MA 02238-0003, USA*

Editor's Introduction

Welcome to the premier issue of *Cyrus Chronicle Journal (CCJ): Contemporary Economic and Management Studies in Asia and Africa*. The journal intends to cover scholarship pertaining to the two vibrant and rapidly growing continents, Asia and Africa. They tend to be either ignored or misunderstood; and there are limited outlets for scholars who work on these countries to share their scholarly outputs. Focusing on these two continents will help researchers from both developed countries as well as these two continents - which together account for the largest portion of the world population and growth. The CCJ intends to fill these gaps. An examination of our mission may shed some light on this question. The primary purpose of the journal is four-fold:

1. To share and promote knowledge of economic, management, and development issues facing countries of Asia and Africa. Focusing on assessment, evaluation, and possible solutions help advance countries in this two continent which has the largest world habitants. Development challenges are global; virtually every country faces problems concerning economic development, sustainability, food and water, population and environmental degradation. Yet no country gains by shunning opportunities that globalization can provide, with the possible exception of a few countries whose leaders lack a full understanding of the opportunities that globalization can offer. To take advantage of such opportunities, knowledge is the primary requisite. And this journal aspires to make a contribution to this body of knowledge.
2. To encourage the generation and dissemination of knowledge by local scholars whose access to mainstream academic outlets may be limited? We know many scholars from academic, public and private sector organizations whose first-hand knowledge of problems and solutions isn't being shared for lack of an appropriate outlet for dissemination. The CCJ may provide an opportunity for spreading such knowledge.
3. To focus on countries that span the northern band of Asia – from China to Turkey – to the northern tier of Africa, areas that have not previously been the subject of much attention. In the past these countries have tended to gain the attention of scholars and the media only in times of manmade or natural crises. But in fact, these nations have many challenges similar to those of others. They wrestle with shortages of food and water and the growth of population and pollution. Although they have educated their own citizens, especially in countries that had been under the shackles of dictatorship for decades, now they have become freer to express ideas in journals such as this.
4. Academic scholarship emanating from the region under the journal's coverage tend to get lost in the academic jungle where the pressure of "publish or perish" leaves behind the younger and less experienced members. This journal will give an opportunity to the scholars with first-hand knowledge of these areas to publish their research and thereby make important contributions to the management and development body of scholarship on which the journal will concentrate. We need to know more about these topics in countries such as Afghanistan, Kazakhstan and Tunisia as well as other countries covered by this journal. The CCJ will provide a platform for established as well as younger scholars who might collaborate with them in their research.

On the journal's operational side, we want to make the publication more accessible to a wide audience across the world, and so, consistent with the 21st century trend toward electronic media, we will publish this journal online. To maintain rigor and originality, articles submitted to the journal will undergo the standard blind review process. Reviewers' anonymous comments are shared with authors, as appropriate.

Submission guidelines and procedures are delineated on the journal's website <http://www.cyrusik.org/research/the-cyrus-chronicle/>.

As the first editor of the journal, I am pleased and proud to accept this challenge. I bring some experience; my first editorial assignment was as an undergraduate at then Pahlavi University in Shiraz, Iran, a top ranking institution in the region. A few students and I founded and published *Danesh-Pajouh* (knowledge seeker). In those days when freedom of expression was severely limited, we managed to publish one issue in March 1965 before the censors put a stop to the enterprise.

Years later, while directing a doctoral program in international business in Texas in the early 2000s, I also was the co-editor - and eventually editor - of the *International Trade Journal* (ITJ) until my retirement in 2013. Under my leadership *ITJ* acceptance fell below 10%.

As editor of the *CCJ*, I hope to accomplish the goals of the journal elucidated above. In the premier issue, we have already reached a threshold of about 20% in acceptance. Still, *CCJ* needs your support and so I ask for your help in the following ways:

1. Contribute articles;
2. Encourage your colleagues to do the same;
3. Spread the word, especially in countries where *CCJ* can be most effective;
4. Cite the articles published in this journal in your own research when applicable;
5. Attend the annual conferences of the CIK (<http://www.Cyrusik.org>) that serve as a spawning ground for articles that may ultimately be published in this journal;
6. Give us your feedback by telling us how we can further promote and improve the journal?

Welcome and thank you.

Tagi Sagafi-nejad, Editor

Reintegrating Iran with the West: Challenges and Opportunities

Authors

**Mohammad N. Elahee,
Farid Sadrieh and Mike Wilman**

Editors, (Emerald, June 2015)

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Published on the eve of the historical nuclear agreement signed in July between Iran and six major world powers, this book provides timely and much needed insights into what may lay ahead as Iran seeks to recover and rebuild after years of increasingly punishing economic sanctions. This somehow eclectic collection of essays, written by a number of academics from across the world, reflects the areas of expertise of its contributors- political scientists, marketing, management and international business scholars. Many have also extensive experience in industry, diplomacy and international trade.

Early indications make clear that despite what some expected or hoped, and other feared, there will not be a gold rush to Tehran. The lifting of sanctions, to be implemented in the coming months under the Joint Comprehensive Plan of Action (JCPA), will be a major achievement for the latter group, likely to influence Iran's internal political dynamics, most immediately parliamentary elections scheduled for February 2016. What *Reintegrating Iran with the West* does best is reflecting the political and economic complexities that characterize Iran whilst recognizing its immense potential. Perhaps the subtitle "Challenges and Opportunities", although overused and formulaic words in other contexts, is truly indicative of the balance and nuance reflected in this book. This approach is clearly

apparent within each essay, as each contributor, even the most skeptical, like Farid Mirbagheri, takes great care to examine different possibilities and the likelihood of potential outcomes. Taken together, the essays also provide an overall balance as various perspectives about the future of Iran are juxtaposed and brought together in a single document.

Although the depth and quality of the contributions are necessarily unequal, most provide a great wealth of information and an impressive level of detail without becoming verbose. Monshipouri's analysis of the potential for Iranian natural gas exports illustrates how an exhaustive analysis can also remain parsimonious and accessible to non-specialist readers. Another contributor, Massood Samii goes beyond the oil and gas sector to consider all other export goods that could lead to a more diversified and less-oil dependent economy. Since the Iranian revolution of 1979, and especially over the last few years, Iran's trade relations have shifted away from Western partners toward East Asian as well as neighboring countries. Will the West be able to reclaim its former position after the lifting of sanctions? While in some sectors, like oil production, Iran needs the technical expertise and investment that only the West can provide, in other sectors the new patterns may endure and European firms may lose market share as a result of policies implemented by their respective government. For example, in the auto industry, as Mike Wilman and Bob Bax demonstrate, Iran has fallen far behind in terms of manufacturing technology. Even before the European auto companies left Iran in 2012 following a tightening of the sanctions regime, Iran's car manufacturing consisted primarily of assembling older models European automobiles. With a large domestic market and pent-up demand for more technologically advanced cars, Iran's auto industry is in dire need of foreign expertise and

investment. However, as Dino Bozonelos' macroeconomic analysis demonstrates, Iran's "patrimonial political economy", also known as crony capitalism, may dissuade many foreign investors. The need for reform to increase transparency and efficiency in the economy is abundantly clear. The author argues that Iran's has the potential for such reform. In the event of such evolution, the large, highly educated and prosperous Iranian Diaspora is well poised to assume a critical role in transferring knowledge and money to their country of origin. As noted earlier, however, such reform represents a direct threat to the interests and power of what the author calls the "patrimonial elements" such as the Basij militia and other interest groups, and thus remains hostage to political infighting.

Having addressed some of the economic challenges and opportunities within specific industries as well as across industries, the reader is introduced to the intricacies of diplomacy and negotiations in an insightful analysis by an expert in the field, Eugene Kogan. It may be thought that with the agreement signed, such understanding of the bargaining process is no longer of great interest, but such is far from being the case. Indeed, a process has been triggered by the July 2015 agreement, that will most likely face challenges as the implementation phase is potentially ripe with many turbulent episodes as the parties, Iran and the P5+1, and especially the West, pursue their strategic goals. Already, the recent testing of Iranian missiles that could carry nuclear warheads has raised the tensions a notch, as the parties evaluate how and when to push for advantage and how and when to back down. In a separate chapter, Farid Mirbagheri reviews the economic and geopolitical implications of the nuclear negotiations with Iran for the United States, the European Union, Israel, Russia and China.

Iran's bilateral relations with two of the aforementioned powers- the United States and China, as well as Indo-Iranian trade relations are the focus of the last three chapters of this book. David Cadden offers the reader a vivid, multi-

faceted review and analysis of the complex and often contentious US-Iranian relationship, skillfully integrating such diverse and pertinent elements as economic interests, historical events, cultural factors and political and geostrategic considerations. He concludes by emphasizing and demonstrating that a successful nuclear negotiation is clearly in the interests of both countries. Rakesh Mohan Joshi's chapter on Indo-Iranian relationship, while insightful, is more narrowly focused on trade, using trade statistics to illustrate the evolution of exports and imports over the last decade. Mohammad Elahee and Jiayong Gao adopt a more comprehensive approach in analyzing the Iran-China relationship, looking beyond the economic to encompass geostrategic, cultural and historic considerations.

In the first paragraph of this review, *Reintegrating Iran with the West* was described as a somewhat eclectic collection of essays. Having been introduced to the contents of the book, the reader of these lines should now have a better appreciation of the heterogeneous nature of this collection. Farid Sadrieh's broad brush overview of Iranian contributions to the world, in an introductory chapter, does nothing to lessen the wide scope or the lack of a strong unifying theme in this book. Although the wide range and diversity of themes and perspectives leave many gaps, they also help trace the contours of an ambitious project and represent a bold invitation for others to fill in this fascinating picture with their own contributions. In particular, insights from scholars and business analysts and managers living and working inside Iran, would have represented a welcome addition to this collection. This is not, however, a criticism directed at the editors, who readily acknowledge this weakness in their concluding chapter, but rather a lament about sanctions that did- and still do for a short while longer, limit cooperation and trade between Iran and the US in many areas, including academic research. Moreover, as the editors point out, a host of other issues, like analyses of many other sectors of the Iranian economy and their post-sanctions prospects need to be addressed to

fill the picture that is emerging from this book. Iran's relationship with its neighbors and regional powers is another area that is not addressed in this book and merits to be explored.

In sum, this collection of essays represents a laudable and for the most part successful attempt to increase the level of scholarly knowledge about an important but poorly understood country. While it is far from being exhaustive, it does shed light on some critical aspects of Iran's resurgence.

As such, it is recommended not only for scholars, but also for graduate students, political and business leaders and managers and anyone with an interest in the evolving role for Iran in trade, business and other policy arenas in its region and beyond.