

A stylized world map composed of white dots on a blue grid background, with light rays emanating from the continents.

An imprint of the CYRUS Institute of Knowledge (CIK)



CYRUS CHRONICLE JOURNAL (CCJ):
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 emerging economies in Asia, Africa, and other emerging economies. 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.

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Submission Process:

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He will be assisted by an editorial board consisting of Tarek Hatem, Ph.D., American University in Cairo, Egypt

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.

THE CCJ: An imprint of the CYRUS Institute of Knowledge (CIK)

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.

Editor's Introduction

Since inception in 2012, the Cyrus Institute of Knowledge has held five annual meetings. Last year we published the first volume of *Cyrus Chronicle Journal (CCJ): Contemporary Economic and Management Studies in Asia and Africa* in conjunction with the 2016 annual conference.

CYRUS Institute of Knowledge (CIK) had two successful international conferences. Between the CIK March 2016 conference at the American University of Cairo and the April 2017 at MIT, we have received more than 120 abstracts and 30 full papers. Papers, abstracts, and presentations have come from all continents and more than 40 countries and more than 50 institutions of higher education and organizations. Please see CIK website for detail information in this regard.

The acceptance rate for this issue is less than 20% considering many papers that were submitted for review and full papers for the conference. Two papers in this issue are invited. These articles, one by Professor Ghadar and another by Professor Contractor, two eminent international scholars, whose insight will enhance the quality of CCJ and give it the prominence it seeks. Our aim is to publish the highest quality papers that pass through multiple review process. CIK colleagues and conference participants have proposed and suggested special issues of the journal which is based on core topics (i.e., entrepreneurship, innovation, ethics, and sustainable development) and/or country specific. Therefore, we welcome your articles which meet these characteristics. We already have several papers about Iran.

Now we welcome you to the second issue (CCJ.V2). The journal intends to cover scholarship pertaining to emerging economies in Asia, Africa, and other emerging economies. Scholarship dealing with these regions tend to be either ignored or misunderstood, and there are limited outlets for scholars who work in 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 and other emerging markets. Focusing on assessment, evaluation, and possible solutions help advance countries in this which has the largest world habitats. 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 man-made 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, Morocco 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.

In this second issue of the *Cyrus Chronic Journal*, we include six articles and four book reviews. Scholarly articles, from established scholars and policymakers, cover the gamut from US-China relations and anomie and dysfunction in the Middle East to direct investment in the MENA countries, inclusive business in supply chain and, finally, barriers that Western educational entrepreneurs face in pursuit of educational initiatives. In addition, we included reviews of four books each of which is timely in coverage and penetrating in their analysis. We will continue to bring you book reviews as part of our mission to advance knowledge.

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 the 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.

The Accidental Superpower: The next generation of American preeminence and the coming global disorder

Book Review by: **Andersen, Ida Helene**

Author: Peter Zeihan

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In “The Accidental Superpower”, Peter Zeihan explains how geopolitics and geography will determine how the world of the future will look like. According to Zeihan, the world is on the verge of change – first and foremost because of the soon-to-be end of the Bretton Woods system. The entire world will be affected, and many countries will see themselves in deep crises because of aging populations, lack of trade, riots and war. Only one country will come out of the change undamaged: The United States, the one that started and ended Bretton Woods. “The Accidental Superpower” is not a book of solutions for what the world should do. Instead, Zeihan tries to forecast what will happen to the world in the next 15 years or so, based on the current state of the world’s geopolitics.

The book starts with Zeihan explaining how the Bretton Woods system started after World War 2. With Bretton Woods, the Americans stabilized a shattered world by opening up their borders to allow for other countries to export whatever they wanted into the United States, without demanding anything in return. The Americans promised to protect free trade around the world, as well as providing signatory countries military protection. This system, paid for by the Americans, is what the world order we know today is based on. The Americans could do this because of three factors: Their world class transportation options in the form of thousands of miles of navigable rivers, their superiority when it comes to deep water navigation, and their successful industrialization.

The book then goes on to explain the importance of the abovementioned three factors for a country to succeed in the 21st century world, as well as how geography determines a country’s success in each of the factors. We start as far back as the ancient Egyptians, who had

navigable rivers, and continue up through the industrialization of England (who mastered deep water navigation) and Germany, who outdid even the English industrialization, until today, with the emergence as the US as a super power who masters all three factors.

What really makes the world order change is the rise of the American shale industry. Because the Americans will soon be self-sufficient in oil and natural gas, they do not need the rest of the world any more. The Bretton Woods system is as expensive for the Americans as it is beneficial for the rest of the world, and because of the size of the country and the superior geography, Zeihan predicts that Bretton Woods will be a cost that the Americans do not wish to bear much longer. They can produce most goods as well as oil within their own borders, and with NAFTA almost everything else can be easily imported. For the rest, Zeihan argues that almost every country in the world would want to be a trading partner with the US, and it will therefore not be hard for the US to find trading partners and military alliances. In terms of geography, the US is also fairly lucky, as it is situated so far from the rest of the world that nobody can threaten the country military wise, since no other nation has a navy large enough to conquer the US. As for Canada and Mexico, Zeihan argues that the former is falling apart and the latter is too underdeveloped (and too dependent on the US) to be of much danger, except from the Mexican drug wars, which are already happening.

The final half of the book explains the impact that the end of Bretton Woods will have on the world. Many countries will want to gain access to the American market, make trade deals, and form security alliances. However, it will all be on American terms since the Americans can pick and choose whatever they want around the world, using power or not. Countries such as the Netherlands, Denmark, the United Kingdom, Thailand, Singapore, Australia, New Zealand, and Vietnam will all be on good terms with the Americans and benefit from the trade that will still be going on, thus preventing them from falling apart with the end of Bretton Woods. Others, such as Russia, Turkey, Uzbekistan, Saudi Arabia, Japan, Angola, and Iran will have a much harder time, due to various factors such as aging populations, geography resulting in poor protected borders, lack of production, and internal conflicts. Some of these countries might even cease to exist as nations within a not so distant future. The European Union will fall apart because of the Euro and

economic pressure. Canada will split up into smaller, independent states, some of which might even join the US. Trade with the US is the only thing that prevents Mexico, with its challenging geography, problematic government, and drug wars, from falling apart. China will experience large internal divisions and riots, and the export-dependent country will suffer from a lack of trade protection. On top of this, most countries face challenges of ever aging populations, limiting demand and putting bigger pressure on the working populations who have to support the large groups of elders.

To support his arguments, Zeihan uses a variety of maps of the world to show differences in for example economies, populations, and energy use. He also uses local maps to show regional factors that affect countries, for example special geographic conditions, borders, and which countries are the most powerful in certain regions. Furthermore, he uses many demographic pyramids to support his argument that one of the biggest factors deciding the fate of countries is the demographic composition. The demographic pyramids clearly show that most of the world have aging populations, and only a handful will have a large enough group of people in their prime working age to prevent the economy from stagnating.

Zeihan concludes that the majority of the world will suffer a great deal from Bretton Woods. Due to various geopolitical reasons, each country will have their own battles, but all will have trouble finding their place in the new world order – a world in which the Bretton Woods system is no longer present. Only the US will come out as an even stronger superpower than now. As the country who initiated Bretton Woods when it was strategically smart, it will make sure to end Bretton Woods now, when the US is finally able to be on its own completely, without having to interfere with the rest of the world. When all comes to all, it is all about geography, and the US has simply been blessed with superior geography, causing it to be the superpower of the world. As Zeihan states in the epilogue: “Simply put, the world is indeed going to hell, but the Americans are going to sit this one out” (page 350).

Peter Zeihan is a geopolitical strategist who has specialized in how demographics shape the world, as well as energy resources and national security. He has worked 12 years with the geopolitical analysis firm Stratfor, before launching his own firm, Zeihan on Geopolitics, which helps industry leaders’ deal with the challenges that geopolitics presents for the future. With 15 years of experience in the field, I believe that Zeihan has the necessary competences to write on the topic of geopolitics. “The Accidental Superpower” is Zeihan’s

first book, but he has contributed to several media channels, for example the New York Times.

Overall, I find “The Accidental Superpower” very interesting. The book is well written and adds a lot of new information in a way that “normal” people can understand it. The book touches upon many areas of the geopolitics of the world and gives a good overall overview of what will happen after Bretton Woods. I like the way Zeihan mixes geopolitical facts with historical facts, and he adds just the right amount of humoristic comments to make it personal. A lot of important points are brought up, and it is interesting that he also includes lesser known countries – that way I feel like I learn much more about the world than if it was only major countries like China and Russia that were included. However, I would have liked for the book to also touch upon more humanitarian subjects such as foreign aid to help poor countries, just like it would be interesting to know how the end of Bretton Woods would affect American business abroad as well as tourism. Would firms have to take all their businesses back to the US? Would it still be possible for the Americans to travel anywhere they wanted? And would regular Americans still want to have anything to do with the rest of the world? Finally, an interesting discussion would be if geopolitics, politics, and economics would win over morale and ethics, factors I personally believe also has to be taken into consideration – would the Americans be willing to isolate themselves just because it is economically beneficial?

The argumentation is build on geopolitical facts, and Zeihan is generally objective in the way that he uses the facts. However, I do think that the book is very biased in regards to America’s superiority. When analyzing a geopolitical phenomenon, Zeihan emphasizes how bad the situation is for the rest of the world, ending the argument with how the phenomenon does not have a negative impact on the US: “... and as early as 2030 the United States will emerge as the only country that is capital-rich, the only country with a growing economy, and the only country with a growing market” (page 117). While the facts themselves are objective, this constant emphasis on how great everything will be for the US and how bad everything will be for everyone else seems a little biased, and I find it hard to believe that there will not be (many) negative aspects that the US has to deal with. Unless everything really will be as good as Zeihan predicts them to be for the Americans, I would have liked a little more focus on some of the challenges that the Americans face. Even something like the Mexican drug war is barely touched upon, and even though it is described as a threat to the US, it is not something that gets a lot of attention.

To conclude, I do think that the book achieves its purpose quite well. Zeihan sets out to predict the future – not to offer solutions – and predictions are all we get. The argumentation is good, albeit a little biased at times, but overall I definitely think that the book is worth a read as it offers interesting and new points to the new world order, and it made me think along new lines that I had never even considered. The book is very relevant, and it adds a great perspective to any studies on (de-)globalization, as well as to people working within the field of geopolitics. Firms can also find this book very useful as it offers an overview of some of the challenges that a business will face in the near future when operating in the global business environment. Overall, “The Accidental Superpower” is a great supplement to the literature about geopolitics and the future of the world. I have not read a lot of books on the topic, and therefore I do not know a lot about what other books exist on the topic, but I have never heard about a book with this approach. It is an interesting perspective to base the future of the world entirely on geography, and it challenged me to think along new lengths. For example, I had never before considered that the reason for American superiority could be entirely explained by geography. Before reading this book, I had never questioned that free trade was here to stay, and the book has got me thinking about many things about the future. I think it would be interesting to go back and read the book in 2030 and see how many of Zeihan’s predictions have actually come true. It is probably more than we would hope to think now with the old system still in place.