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A stylized world map composed of white dots on a blue grid background, with light rays emanating from the continents. The map is centered on the Atlantic Ocean, showing the Americas on the left and Europe, Africa, and Asia on the right. The dots are arranged to form the outlines of the continents, and the background is a solid blue color with a faint grid pattern. Light rays emanate from the continents, creating a sense of global connectivity and digital data flow.

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
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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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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.

Utopia for Realists

Book Review by: **Jacqueline Slatin**,
Bentley University

Author: Rutger Bregman

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In this paper I will summarize and evaluate Rutger Bregman's book *Utopia for Realists*, which was published in 2016 in the Netherlands. The book was originally written in Dutch, and translated into English by Elizabeth Manton. Rutger Bregman is a graduate of the University of Utrecht, one of the largest colleges in the Netherlands, and is a journalist for *The Correspondent*. His previous book, *The History of Progress*, was awarded the Belgian Liberales prize for best nonfiction piece of 2013. While I did find the book to be extremely well-written, it should be noted that the author's background is strictly in political journalism, he doesn't hold any advanced degrees, has never held public office, and is not well-known outside of the Netherlands. This being said, his limited credibility led me to evaluate the book based on the soundness of his arguments and ability to support them through data and logic.

Utopia for Realists focuses on five distinct main points: the proposal of a 15-hour work week, a guaranteed living wage, greater income equality, open borders for labor, and an argument against using GDP as a measure of national success. While none of these concepts were new to me, I did find the book to be unique in its practical yet unapologetic liberalism. Because of his extreme propositions, I assume Bregman's target audience is far-left (or perhaps moderate) liberals and supporters of democratic socialism. Its casual, conversational tone implies it's intended for a general audience, rather than academics or researchers. Some of Bregman's points are quite well argued and supported with extensive data and case studies. Others, however, I found to fall flat. In order to end my paper on a positive note, I will begin by addressing these shortcomings.

I do not believe Bregman was successful in arguing for open borders, allowing for the free flow of both skilled and unskilled labor. He starts by discussing

foreign aid initiatives in terms of their limited impact and inability to consistently address underlying problems of developing countries. Even with \$135 billion in aid every year, extreme poverty and illness is only being reduced by a fraction (190). A bigger solution, he says, must be necessary. This solution would be opening all borders to immigration. He claims open borders would make the entire globe twice as rich. For every 3% increase in immigration into developed countries, "the world's poor would have \$305 billion more to spend" according to the World Bank (182). He describes national borders as "invisible prisons", and cites a single study by the Center for Immigration Studies which showed that immigration has "virtually no effect on wages" (187). If this data is in fact true, I feel Bregman should have cited other studies which found the same result. His brief dismissal of a major objection to open borders was not convincing enough for me. Additionally, he denied any effect on unemployment. Without using any data, he simply summarized that "employment is not like a game of musical chairs, there are enough seats for everybody" (187). On top of these oversights, I also feel Bregman's argument is impractical. He provided no explanation for how a worldwide labor exchange could occur, or how many countries would need to participate in order for the desired effect to be realized.

I found Bregman's next argument against measuring GDP to be convincing, but incomplete. He drew attention to a number of salient flaws in the GDP calculation. For example, the fact that natural disasters and wars have been shown to increase GDP. The 2011 earthquake in Japan led to a 2% GDP increase due to recovery activities, and Netherlands saw an 8% spike as a result of a devastating flood in the 1950's (153). When certain sectors of the economy see growth after major traumatic events, overall economic health is not growing and therefore shouldn't be misrepresented by statistics. GDP also fails to include undeniably beneficial activities such as volunteerism, community engagement, free health clinics, advances in knowledge, or free technological services such as Skype. Meanwhile, it *does* include transactions that can be counteractive to growth, such as rehab services for drug addiction, divorce attorney fees, and high sales in gasoline due to gridlock. Rather than going on to suggest a solution, Bregman continues to find flaws in alternative calculations such as Gross National Happiness because he doesn't feel they focus enough on progress and advancement. Then he leaves off, with no proposal of his own, simply stating "we have to come up

with something new” (170). I was not satisfied by this haphazard conclusion.

Perhaps the most extreme proposal in the book, that of a 15-hour workweek, was also enticing but poorly supported. Bregman uses three examples to illustrate his claim that a shorter workweek leads to higher productivity. First, Henry Ford in the early 1900’s increased his employee’s workweek to 60 hours from 40, and saw a decline in productivity (42). While this outdated example may support the idea of workweeks being limited to 40 hours, I struggle to see it directly supporting the argument for a 15-hour week. Second, in the 1930’s W.K. Kellogg gave his factory workers 6-hour days instead of 8-hour days and saw an increase in productivity. This example is also outdated, and is clearly related to physical labor – the manufacturing of a tangible product. I’m not convinced it’s correlated to the modern-day knowledge economy. Third, Bregman gives the 1970’s example of the British prime minister giving coal miners a 3-day workweek. Again, this example only reliably transfers to physical labor and is therefore not relevant for a large portion of US industries. Bregman also claims shorter workweeks would be better for the environment. I struggle to see how this could be true in a large majority of industries where the business’ operating hours would need to remain the same (such as finance, manufacturing, or retail), so they’d need to hire even more employees who would be using fuel to commute to and from the office. To conclude, Bregman recommends we “reverse incentives” so it’s no longer cheaper for an employer to have one full-time employee than two part-time employees. I find this suggestion nearly impossible to implement. Even with significant healthcare reform, employing more people comes with increased costs. It’s expensive to recruit labor, train them, organize IT for them, administer their payroll, and monitor their performance. It’s difficult for me to believe that productivity would increase enough to cover the steep increase in administrative costs in addition to the doubling in salary. Overall, I was skeptical Bregman’s entire argument for a 15-hour workweek. I felt it was impractical and poorly defended.

Despite these shortcomings, I was impressed with Bregman’s thoughts on income inequality. He discusses a concept he charmingly labels “the epidemic of bullshit jobs”. He argues that as a knowledge-based economy has arisen in the developed world, we have created an outrageously flawed method of valuing the appropriate compensation levels for particular jobs. We have begun to overvalue jobs that simply *shift* wealth, and undervalue jobs that *create* wealth. He feels jobs like corporate attorneys, business consultants, CEO’s, stock brokers, and financial managers are severely overpaid while they

offer only a limited value to society and create very little innovation or wealth. Often times they simply *steal* wealth from others, collecting a small fortune and leaving the disadvantaged no better off. Conversely, Bregman feels we underpay critical occupations like firemen, teachers, engineers, medical researchers, and even some manufacturing jobs. He suggests that instead of incentivizing the population to pursue “bullshit jobs”, we should be using regulation to make those jobs slightly less appealing. This could be done either through income tax or transaction taxes, such as a fee due when buying and selling stocks as a day trader. At the same time, more productive jobs such as public school teachers should be more highly compensated since they have the direct potential to affect positive economic growth through educating the next generation.

To support these views, Bregman uses data and narrative examples. He cites that “for every dollar a bank earns, an estimated equivalent of 60 cents is destroyed elsewhere in the economic chain” and “conversely, for every dollar a researcher earns, a value of at least \$5 is pumped back into the economy” (147). He also discusses Reagan-era tax cuts, which caused a large portion of the most intelligent college graduates to abandon careers in teaching and engineering, and instead join the banking industry at a rate of 1.5 times compared to 20 years ago (147).

Further, Bregman compares two stories: the 1970’s banking strike of Ireland and the 1968 sanitation strike of New York City. In Ireland, the entire banking sector went on strike for six months. At first, all news outlets predicted a devastating collapse of the entire economy, resulting in violence and hysteria. Surprisingly, no devastation occurred. Ireland kept functioning as normal, and communities grew even closer. Once people started running out of cash, they began writing checks to one another that could be cashed once the banks reopened, and they reverted to an old-fashioned bartering and “IOU” system. Two months into the strike, *The Times of England* reported “no adverse effect on the economy so far” (139). In contrast, when 7,000 sanitation workers (garbage collectors) decided to strike in New York City, all mayhem broke loose. After 9 days, 100,000 tons of garbage lined the street with stench (136). Despite his originally harsh stance, the mayor could no longer refuse to give the workers what they wanted. Their jobs were simply too vital. Bregman uses these stories to explain that certain jobs are undeniably more important to the functioning of society, and our salaries should more closely represent it. Although this proposition is more moderate than the others in the book, I did find it convincing and well-argued.

In perhaps the most controversial chapter, aptly titled “Why We Should Give Free Money to Everyone”, Bregman defends the idea of a universal minimum income quite thoroughly. He provides dozens of pages of hard data to support the idea of eliminating extreme poverty through means of *giving them money* has shown positive results, and is actually cheaper than alternative options. He writes, “The great thing about money is that people can use it to buy things they need instead of things that self-appointed experts think they need” (60). He refutes the common counterargument of poor people using money to buy drugs and alcohol by citing a World Bank study which showed in 82% of cases, consumption of alcohol and tobacco actually *declined*. He cites a program in Uganda where small donations to impoverished villages led them to double their own incomes within a year (58). He also uses the example of Dauphin, Manitoba, a small city in Canada which was the subject of a social experiment in the 1970’s where all individuals were brought up to the poverty line, no questions asked (62). This persisted for four years. In these four years, total hours worked per week only decreased 1% for married men and 3% for married women. Despite common belief, free money did not lead to laziness. Instead, citizens spent more time volunteering and furthering their education, domestic violence plummeted, and hospitalization rates dropped 8.5% (64). Bregman continues to cite study after study, both economic and psychological, to demonstrate that human beings have an innate desire to be productive and that keeping individuals from falling below the poverty line unequivocally does more good than harm.

He also gives a detailed explanation as to why cold, hard cash is more effective than social programs to combat poverty. He first compares educational programs in Africa to pure grant money and shows that money consistently has more tangible positive impact. He also describes something he calls “scarcity mentality”, which forces people in extreme poverty to “narrow their focus to their immediate lack...the long-term perspective goes out the window” (101). He continues, “They’re not making dumb decisions because they *are* dumb, but because they’re living in a context in which anyone would make dumb decisions” (102). The most effective way to help someone help themselves is to pull them out of this context and free them of a “scarcity mentality”. For example, someone who is struggling to pay their rent is not in the proper mindset, or the financial position, to explore options for going back to school so they can find a higher-paying job. They’re entirely preoccupied with avoiding homelessness. As economist Charles Kenny notes, “The big reason poor people are poor is because

they don’t have enough money, and it shouldn’t come as a huge surprise that giving them money is a great way to reduce that problem” (58).

I found *Utopia for Realists* to be an extremely enjoyable read. Although I do question how realistic its ideas truly are, the book was written in an organized and engaging fashion. Through stories and examples, Bregman gave me a more optimistic view of what may be possible. He did effectively persuade me to agree with his ideals, but I was not entirely convinced that his Utopia could effectively be created given the unfortunate constraints of reality. Nevertheless, this book was an important reminder to not surrender to the status quo, but to keep dreaming and pushing for a better global future. As Bregman writes, “Without utopia, we are lost. Not that the present is bad; on the contrary. However, it is bleak if we have no hope of anything better” (29).

Work Cited:

Bregman, Rutger, and Elizabeth Manton. *Utopia for Realists*. Netherlands: Correspondent, 2016. Print.