

مجلة التنمية والسياسات الاقتصادية

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المجلد الرابع عشر - العدد الأول

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الحسابات القومية والفساد: بعض المعالجات والآثار.
أحمد الكواز

ملاءمة السياسة الصناعية في القرن الحادي والعشرين.
مهدي شفاء الدين

التقلبات التضخمية، المؤسسات المالية، وتقييم الديون السيادية.
نهى عماره

الأساسيات الاقتصادية التي تؤثر على أسعار النفط: دراسة تجريبية.
لطيفه غلايني

وقائع مؤتمر:
"الأزمة الاقتصادية العالمية من منظور الاقتصاد الإسلامي".
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مراجعة كتاب:
"ما وراء نطاق اليد الخفية: تأسيس لعلم اقتصاد جديد".
علي عبدالقادر علي

الأهداف:

- الاهتمام بقضايا التنمية والسياسات الاقتصادية عموماً وفي الأقطار العربية على وجه الخصوص في ضوء المتغيرات المحلية والاقليمية والدولية.
- زيادة مساحة الرؤية وتوسعة دائرة المعرفة لدى صانعي القرار والممارسين والباحثين في الأقطار العربية .
- خلق حوار علمي بناء بين الباحثين والمهتمين بالاقتصادات العربية وصانعي القرار بالمنطقة.

قواعد النشر:

1. تقدم البحوث والدراسات ومراجعات الكتب والتقارير إلى رئيس التحرير، على البريد الإلكتروني للمجلة: jodep@api.org.kw
2. تنشر المجلة الأبحاث والدراسات الأصلية (باللغتين العربية والإنجليزية) والتي لم يتم نشرها سابقاً ولم تكن مقدمة لنيل درجة علمية أو مقدمة للنشر في مجلات أو دوريات أخرى.
3. تكون الأوراق والدراسات المقدمة بحجم لا يتجاوز الثلاثين صفحة، بما فيها المصادر والجدول والرسوم التوضيحية، كما لا تزيد مراجعة الكتب والتقارير على العشر صفحات. ويشترط أن تكون البحوث والمراجعات مطبوعة على أوراق 8.5x11 بوصة (A4) مع تخطي سطر (Double Spaced) وعلى وجه واحد، وتترك هامش من الجوانب الأربعة للورقة بحدود بوصة ونصف.
4. تكون المساهمات مختصرة بقدر الإمكان وسهلة القراءة والإستيعاب من قبل الممارسين وصانعي القرار.
5. يرقى الباحث ملخصاً عن البحث لا يزيد عن 100 كلمة، بحيث يكون مكتوباً باللغتين العربية والإنجليزية. حيث سيظهر الملخص في مجلات متخصصة بالملخصات.
6. يكتب الباحث اسمه ووجهة عمله ووظيفته على ورقة مستقلة مع ذكر عنوان المراسلة وأرقام الهاتف والفاكس والبريد الإلكتروني .
7. في حالة وجود أكثر من مؤلف يتم مراسلة الإسم الذي يرد أولاً في ترتيب الأسماء.
8. يجب أن يتفق الاقتباس والتوثيق مع المبادئ التوجيهية لمنط [American Economic Review](http://www.aeaweb.org/sample_references.pdf) والدليل النمطي (http://www.aeaweb.org/sample_references.pdf) ويجب أن تكون المراجع مرتبة أبجدياً في نهاية الورقة.
9. توضع الهوامش في أسفل الصفحة المناسبة وترقم بالتسلسل حسب ظهورها.
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13. تخضع كل المساهمات في المجلة للتحكيم العلمي الموضوعي، ويُبلغ الباحث بنتائج التحكيم والتعديلات المقترحة من قبل المحكمين إن وجدت، فور إستلام ردود كل المحكمين.
14. يُصبح البحث المنشور ملكاً للمجلة، وتستوجب إعادة نشره في أماكن أخرى الحصول على موافقة كتابية من المجلة.
15. جميع الآراء الواردة في المجلة تعبر عن كاتبها، ولا تعبر بالضرورة عن وجهة نظر المجلة أو المعهد العربي للتخطيط.
16. ترسل لصاحب الورقة المقبولة نسخة من العدد الذي تنشر فيه الورقة بالإضافة إلى خمس نسخ مستلة من ورقته المنشورة.

مجلة التنمية والسياسات الاقتصادية

تصدر عن المعهد العربي للتخطيط بالكويت

المجلد الرابع عشر - العدد الأول - يناير 2012

مجلة محكمة نصف سنوية تهتم بقضايا التنمية والسياسات
الاقتصادية في الاقطار العربية

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بدر عثمان مال الله

نائب رئيس التحرير

علي عبدالقادر علي

سكرتير التحرير

صالح العصفور

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الاشتراكات :

ثلاث سنوات	سنتين	سنة	داخل الوطن العربي :
US\$ 40	US\$ 25	US\$ 15	للأفراد
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US\$ 70	US\$ 45	US\$ 25	للأفراد
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المحتويات العربية

الحسابات القومية والفساد: بعض المعالجات والآثار.

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علي عبدالقادر علي

افتتاحية العدد

بهذا العدد من مجلة التنمية والسياسات الاقتصادية تدخل المجلة عامها الرابع عشر. يحتوي العدد على أربع أوراق بحثية وعرضاً لوقائع مؤتمر وعرضاً لكتاب.

في الورقة الأولى تحت عنوان: "الحسابات القومية والفساد: بعض المعالجات والآثار"، تناول أحمد الكواز موضوع الفساد الاقتصادي من حيث المفهوم ومحاولات ربطه بوحدة مؤسسية معينة في الحكومة والقطاع العام، وعرض فيها بعض التحفظات على هذا التناول، حيث أن الفساد لا يقتصر على القطاع العام فقط، بل قد يصيب مؤسسات القطاع الخاص أيضاً. فأكد على أن الفساد هو ظاهرة تتعدى ربطها بالحكومة والقطاع العام، بل ترتبط بالأساس بنظام القيم ومؤسسات فرض القانون، ويخلص بتبيان تأثير أساليب تقدير الفساد على الأداء الاقتصادي من خلال عمل المحاسبة القومية.

وفي ورقة ثانية للدكتور مهدي شفاء الدين تحت عنوان "ملاءمة السياسات الصناعية في القرن الحادي والعشرين"، تفرق بين السياسات التجارية والسياسات الصناعية التي تطال كل قطاعات الاقتصاد وتنحصر في مجال تدفق السلع والخدمات، وبين السياسات الصناعية التي تعنى بكل السياسات، بما فيها السياسات التجارية المتعلقة بتنمية قطاع الصناعة. تقترح الورقة إطاراً عاماً لصياغة سياسات تجارية وصناعية ملائمة لإحداث التنمية دون أن يكون المقترح وصفاً لكل زمان ومكان. ويرى المؤلف أن السياسات التجارية، كأحد مكونات السياسات الصناعية، يجب أن ترقى بالإنتاجية عوضاً عن الاعتماد على التخفيض المتعاقب لسعر صرف العملة الوطنية، وأن ترمي إلى الاستخدام الانتقائي للاستثمار الأجنبي المباشر وإلى تعزيز الإدارة الفاعلة لتدفقات رأس المال.

وجاءت الورقة العلمية الثالثة تحت عنوان: "التقلبات التضخمية، والمؤسسات المالية، وتقييم الديون السيادية" وحللت فيها نهى عمارة أثر الحد من التقلب في معدل التضخم مقابل أثر تحسين المؤسسات المالية في ما يتعلق بتقييم الديون السيادية في الدول، فقدمت تحليلاً تجريبياً على أثر التضخم وتقلباته وتصنيف المؤسسات المالية على تقييم الديون السيادية لاقتصادات عينة من 137 دولة متقدمة ونامية على مدى 17 عاماً. أظهرت نتائج الورقة أن الحد من تقلب معدل التضخم يمكن أن يكون له أثراً إيجابياً كبيراً على تقييم الديون السيادية للدولة مقارنة بأثر مستوى التضخم، كما أظهرت نتائج الورقة وجود أثر إيجابي للتحسن في تصنيف المؤسسات المالية على تقييم الديون السيادية للدولة.

وقامت لطيفة غلاييني في ورقة رابعة تحت عنوان ” الأساسيات الاقتصادية التي تؤثر على أسعار النفط، دراسة تجريبية“ بدراسة تقلب أسعار النفط والعوامل المساهمة في هذه التقلبات. فبالإضافة إلى العرض والطلب على النفط الخام تدرس الورقة تأثير عاملين آخرين على سعر النفط هما: سعر صرف الدولار والظروف السائدة في الأسواق الآجلة. وقد تبين وجود علاقة طويلة الأمد بين سعر النفط وهذه العوامل الأربعة. وقد تم بناء نموذج اقتصادي أدخلت فيه هذه العوامل كمتغيرات مستقلة ويكون فيه سعر النفط متغيراً تابعاً. وقد سمحت هذه المتغيرات للنموذج بأداء جيد من أجل توضيح الحالة المربحة للدول المصدرة للنفط إذا ما حدثت تقلبات في أسعار النفط على المديين القصير والطويل.

وفي باب وقائع المؤتمرات، عرض صالح العصفور وقائع المؤتمر الدولي الرابع لإتجاهات اقتصادية عالمية، حول: ” الأزمة الاقتصادية العالمية من منظور الاقتصاد الإسلامي“ الذي عقد في الكويت في الفترة 15-16 ديسمبر من عام 2010.

أما في باب مراجعات الكتب، فقد عرض علي عبدالقادر علي مراجعة لكتاب ” ما وراء نطاق اليد الخفية، تأسيس لعلم اقتصاد جديد“ من تأليف كاوشيك باسو، الذي صدر عن مطبعة جامعة برينستون في عام 2011.

إننا إذ نضع هذا العدد بين أيدي القراء، فإننا نأمل أن يجدوا فيه ما يفيد وأن تفتح الموضوعات المنفرعة التي تناولها آفاقاً للحوار العلمي البناء الذي وجدت من أجله المجلة.

رئيس التحرير

الحسابات القومية والفساد: بعض المعالجات والآثار

أحمد الكواز*

ملخص

تتناول هذه الورقة موضوع الفساد الاقتصادي من حيث المفهوم ومحاولات ربطه بوحدة مؤسسية معينة، الحكومة والقطاع العام، وعرض بعض التحفظات على هذا التناول، والتأكيد على أن هذا الفساد هو ظاهرة مؤسسية تتعدى ربطها بمؤسسة واحدة، وترتبط أساساً بنظام القيم ومؤسسات فرض القانون. ثم تتطرق إلى بعض المنهجيات المستخدمة لتقدير الفساد الاقتصادي. وتتضمن هذه المنهجيات: أولاً، أسلوب تقدير المبالغة في قيم الواردات، وتقليل قيم الصادرات، في إحصاءات التجارة الخارجية، وبالتطبيق على عدد من الدول ذات المعلومات المتوفرة. كما تتضمن، ثانياً، أسلوب المقارنة بين إجمالي التدفقات النقدية الأجنبية، لدولة معينة، وإجمالي استخدام هذه التدفقات، على أن يعزى الفارق إلى معاملات غير شرعية، وذلك بالتطبيق أيضاً على عدد من الدول ذات المعلومات المتوفرة. بالإضافة إلى، ثالثاً، أسلوب تقدير الفساد الضريبي، حيث كلما زادت قيمة المؤشر المحسوب لهذا الفساد عن الصفر كلما دل الأمر على وجود ظاهرة الفساد، مع الإشارة، أيضاً، إلى عدد من التطبيقات على الدول ذات المعلومات المتوفرة. مع خلاصة لكيفية تأثير هذه الأساليب لتقدير الفساد الاقتصادي على الأداء الاقتصادي من خلال البيانات عمل المحاسبة القومية.

National Accounts and Corruption: Some Observations and Effects

Ahmed Al Kawaz

Abstract

This paper aims at focusing upon the economic corruption concept, and the misunderstanding associated with limiting the concept to the public sector and the government. The paper underlies the fact that economic corruption is an institutional phenomenon rather than a property-based concept. A number of methodologies to assess the concept are reviewed and applied. First, the overvaluation and undervaluation of import and export values. Second, the financial gap between the foreign financial resources and uses. Third, the tax corruption. Upon data availability, the paper applies the three methodologies to Arab countries. Finally, the paper ends with the concluding remarks.

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1. الفساد: مدخل تعريفي

بدأت ظاهرة الفساد تحظى باهتمام متزايد حديثاً، ذلك لعدة أسباب لعلّ من أهمها، في المجال الاقتصادي، هو محاولة الحدّ من الهدر في الموارد المالية وتعزيز مبدأي الشفافية والمساءلة في الدول ذات العجز والفائض المالي على حدّ سواء. وإذا ما علمنا بأن أغلب الدول العربية، المشمولة بتقرير "الشفافية العالمية" لعام 2010 (19 دولة) تتمتع برقم قياسي للفساد يقل عن (5) (تتراوح قيمة الرقم ما بين 0 - 10، حيث كلما ارتفعت قيمة الرقم كلما قلت ظاهرة الفساد)، تصبح مهمة معالجة هذه الظاهرة أمراً ملحاً (تتمتع ثلاث دول عربية فقط برقم يفوق قيمة الـ (5) هي قطر، والإمارات، وعمان). (الشفافية الدولية، 2010).

ولقد انطلق الاهتمام لدراسة وتحليل وتقدير الفساد وآثاره على الأداء الاقتصادي الكلي من خلال الاهتمام بموضوع البحث عن الربيع (الاستفادة من المناصب العامة لتحقيق مكاسب خاصة). وقد ساهم في هذا الاتجاه العديد من الاقتصاديين منهم (كروجر، 1974) و (بجواتي، 1982)، وآخرون. وقد تركّز اهتمام هؤلاء الاقتصاديين على تأثير البحث عن الربيع على الأداء الاقتصادي معبراً عنه بالنمو. وتطوّر الاهتمام لاحقاً لدراسة أسباب الفساد وتأثيراته على الأداء الاقتصادي. وقد تم تحديد العديد من هذه الأسباب، نذكر منها: الدعم الحكومي الذي قد يوفّر مصدراً للربيع (كليمنتز وآخرون، 1995)، أو الرقابة على الأسعار باعتبارها مصدراً آخر للربيع (البنك الدولي، 1983)، أو تعدد أسعار الصرف، وما قد يرتبط بها من تخصيصات للموارد حسب رغبة مدراء البنوك العامة، وتحفيز المستوردين على دفع الرشاوي للحصول على أسعار الصرف الأكثر تشجيعاً (ليفن و رينلت، 1992)، وانخفاض الأجور في القطاع العام مقارنة بأجور القطاع الخاص، وتوفير الحافز لمزيد من الفساد لتعويض الفجوة الأجرية (كري و رجبهم، 1995)، والطبيعة الريعية المرتبطة بالدول الغنية بالموارد الطبيعية ذات نظم المساءلة الرخوة (ساشز و وارنر، 1997)، وغيرها من أسباب الفساد. ورغم أهمية هذه العوامل إلا أن جل اهتمام تأثيرات المساهمات المشار إليها أعلاه، وغيرها الكثير، قد تركّز أساساً على علاقة الفساد، بأسبابها المختلفة، على النمو الاقتصادي. في حين لم يتم الاهتمام الكافي بآليات تأثير الفساد على متغيرات الحسابات القومية. وذلك سواء على قيم الناتج المحلي الإجمالي، أو مكوناته، وهو الأمر الذي يستدعي الاهتمام.

1.1 هل الفساد ظاهرة عامة أم مؤسسية؟

عادةً ما يرتبط استخدام مفهوم الفساد بالموظفين في الحكومة والقطاع العام فقط. فقد أشار تقرير الفساد لعام 2010 (الشفافية الدولية، 2010)، إلى أن المعنى بالفساد هو الرشاوى المنتشرة في القطاع العام، وما بين السياسيين في 178 دولة (الشفافية الدولية، 2010). كما يشير (إيدت، 2003) إلى ربط الفساد بسلطة الموظف العام لتحقيق أغراض أو منافع خاصة وبالشكل الذي يتناقض مع قواعد اللعبة. ويشير (شليفر و فيشني، 1993) إلى أن الفساد يعني حالة بيع موظفي الحكومة لممتلكات حكومية لتحقيق منافع خاصة. وكذلك يعتقد (كوفمان، 1997) أن الفساد هو عبارة عن إساءة استخدام المكتب العام لمنافع خاصة.

إلا أن هذا التحيز ضد القطاع والموظف العام عند تعريف الفساد هو أمر غير مقبول لعدة أسباب منها: (هودجسون و جيانغ، 2007) أولاً، أن ظاهرة الفساد لا ترتبط بنمط الملكية فقط حتى وإن سادت هذه الظاهرة بين الموظفين العموميين في حالة غياب أو ضعف الإطار المؤسسي المحارب للفساد. ويكفي ذكر "إنرون"⁽¹⁾ في هذا المجال كمثال للفساد في القطاع الخاص، ناهيك عن انتشار ظاهرة الفساد في مجال الرياضة ورشوة بعض اللاعبين والمحكمين. وبفعل انتشار ظاهرة الفساد في عالم الأعمال الخاص، فقد أصدرت "منظمة التعاون الاقتصادي والتنمية"⁽²⁾ في عام 1997 قانوناً يجرم رشوة رجال أعمال دول المنظمة لآخرين من خارج دول المنظمة، وتعامل هذه الجريمة شأنها شأن الجريمة المناظرة في داخل دولة رجل الأعمال في دول المنظمة. كما قام الرئيس الأمريكي السابق جورج بوش في عام 2002 بتوقيع قانون يخص الفساد في الشركات المساهمة⁽³⁾، الأمر الذي يبرهن على أن ظاهرة الفساد ليست ظاهرة مرتبطة بالقطاع العام فقط. ثانياً، أن العلاقة بين القطاعات الخاصة، والعامة، وما يرتبط بها من فساد، ليس من السهولة إيعازها إلى القطاع العام أو الخاص في حالة المشروعات المشتركة، كأن تمتلك الدولة (51%) من الأسهم في مشروع، و(49%) للقطاع الخاص. فهل يمكن القول، في حالة سيادة حالة الفساد المالي والإداري، القول بأن هناك فساد بنسبة (51%)؟. ثالثاً، يمكن أن تكون بعض المؤسسات، في دولة معينة ذات ملكية عامة، كما هو الحال في أغلب خدمات البريد، والسكك الحديدية، والجامعات. في حين تكون نفس هذه المؤسسات ذات ملكية خاصة في دول أخرى. وعليه فإن حادثة الرشوة لموظف في جامعة فرنسية مثلاً (على اعتبار سيادة الملكية العامة) يعكس ظاهرة فساد في فرنسا، إلا أنه ليس كذلك إذا ما حدث الأمر في دولة أخرى تكون فيها ملكية الجامعات للقطاع الخاص. والأخطر هو اعتبار فرنسا تتمتع بظواهر فساد أكثر انتشاراً مقارنة

ببقية الدول بسبب ارتفاع مساهمة القطاع العام في هذه الدولة. رابعاً، يرتبط الفساد أساساً بضعف القيم الأخلاقية ولا ترتبط هذه القيم بنمط الملكية بل بمناهج التربية وبمصادر القيم الأخرى، ولا يعرف الانحدار الأخلاقي والقيمي الحدود ما بين الخاص والعام.

إن الخطورة في قصر الفساد على النشاط العام والحكومة تكمن في استخدام هذا الاعتقاد للدعوة، لاحقاً، إلى تحجيم الحكومة⁽⁴⁾، وذلك للحد من أو للقضاء على الفساد، كما أشار أحد الفائزين بجائزة نوبل ج. بيكر، في حال تصفية الدولة فسوف تتم تصفية الفساد⁽⁵⁾ (مُشار إليه في بيجوفيك، 2005). إن الوجه الآخر لقراءة هذه القناعة، هو أن الخصخصة هي الحل للتخلص من الفساد. كما يشير (هوبكن، 2002)، في مسحه للعلاقة ما بين الدولة والسوق والفساد، إلى أن هناك اتجاهان للإصلاح في مجال القضاء على الفساد: الأول إصلاح الإدارة الحكومية لتقليل الحافز للفساد، والثاني تقليل دور الدولة في الحياة الاقتصادية لصالح السوق. وكلا الاتجاهين يهمل دور الفساد في القطاع الخاص.

ومن جانب آخر، بالإضافة إلى وجهة نظر المؤيدين لتعزيز آليات السوق كحل لظاهرة الفساد، يبرز دور المدرسة المؤسسية التي تحاول اقتراح آلية للعلاقة بين الدولة والقانون من ناحية ومحاربة الفساد من ناحية أخرى. حيث ترى هذه المدرسة أنه يجب أن لا ينظر إلى الملكية الفردية على أنها حيازة شخصية فحسب، بل يرافق هذه الملكية إعتبارات إجتماعية وقوة قانون لازمة لاحترام هذه الملكية. وينطبق نفس الشيء على مفهوم السوق، الذي لا يعبر عن تفاعلات بين الأفراد فحسب، بل هو عبارة عن علاقة بين مؤسسات إجتماعية من ضمنها الدولة المؤسسية. والمهم في النظرة المؤسسية هو أن القواعد القانونية، والهيكل التي تفرض القانون لا يمكن أن تظهر وتتطور من خلال التفاعلات بين الأفراد، بل يستلزم الأمر طرفاً ثالث ليفرض قواعد اللعبة وهو الدولة، أو أي مؤسسة قوية أخرى. معنى ذلك أن العلاقات المؤسسية والقانونية المهمة، بما فيها العلاقة مع حقوق الملكية والأسواق، تنشأ كنتيجة لتوليفة من الآليات التلقائية والقانونية. إن وجود مؤسسة معينة، ولتكن السوق أو الدولة أو القطاع الخاص، يجب أن ينظر إليها من خلال العلاقة المتبادلة مع بقية المؤسسات، حيث لا يمكن لمؤسسة أن تعمل من دون الدعم المقدم من بقية المؤسسات (شانج، 2002). إن هذه النظرة المؤسسية الخاصة بضرورة دور الدولة، كلاعب مؤسسي، والدور المتداخل للمؤسسات العامة والخاصة في اقتصاد السوق، تعمل بالضد لتعريف الفساد على أنه ظاهرة مرتبطة بالملكية العامة وبالموظف العام. وعليه، فإن الفساد هو ظاهرة مؤسسية تؤثر على المجالات العامة بقدر ما تؤثر على المجالات الخاصة.

ونظراً لضعف أو انعدام الاهتمام بالعلاقة بين ظاهرة الفساد وانعكاساتها على الحسابات القومية، تحاول هذه الورقة تلمس تأثير الفساد على هذه الحسابات، وما يرتبط بها من تقديرات لأهم مكونات الناتج المحلي الإجمالي. ويستمد الاهتمام بهذه الحسابات، وسلامة تقديراتها بعد استبعاد تأثير صفقات الفساد، من كونها، أولاً، مقدرة بقيم أقل من قيمتها الحقيقية إذا ما كانت الدولة مستخدمة لتدفقات مالية فاسدة (من خلال بعض بنود ميزان المدفوعات) يترتب عليها تضخيم قيم الواردات وتقليل قيم الصادرات. وثانياً، إذا ما كانت مستخدمة لتدفقات مالية خارجية أقل مما تسمح به الموارد المالية المتاحة. وثالثاً، يمكن تلمس آثار الفساد، من خلال تأثير الفساد على التوازن الداخلي، باعتباره مسؤولاً عن غلق أحد مصادر تمويل التنمية (تشير "أولاً"، و"ثانياً" أعلاه لتأثير الفساد على التوازن الخارجي، باعتباره مصدراً ثانياً من مصادر غلق فجوة تمويل التنمية)، والمنجسد في تأثير الفساد على الحصيلة الضريبية، المصدر الرئيسي لتمويل الإنفاق الاستثماري والجاري في الدول غير النفطية. كما أن نواحي الفساد المرتبطة بالحسابات القومية قد تمتد لتشمل متغيرات أخرى. إلا أن شمولها بالتقييم يعتمد على مدى توفر الآلية المناسبة للتقدير، وتوفر البيانات الملائمة.

2. بعض مناهج تقدير التدفقات المالية غير الشرعية

يتم الاعتماد هنا على المنهجية الواردة في تقارير التدفقات المالية غير الشرعية (النزاهة المالية العالمية، 2011) وذلك في ما يخص تقدير التدفقات المالية الداخلة إلى والخارجة من الاقتصاد محل التحليل، اعتماداً على الحسابات الجارية (الصادرات والواردات) المالية والراسمالية (الموارد المالية المتاحة، والمستخدمة) الواردة في ميزان المدفوعات.

1.2 منهجية المبالغة في زيادة قيم الواردات وتقليل قيم الصادرات

ينبع مبرر الفساد هنا من إمكانية المقيمين (يشير مفهوم المقيم بالمعنى الوارد في الحسابات إلى من يقطن في الإقليم الاقتصادي التابع لدولة معينة، وله مصلحة اقتصادية مع هذه الدولة (الأمم المتحدة وآخرون، 2008) في دولة معينة من المغالاة بقيم الواردات، وتقليل قيم الصادرات. ولغرض تقصي إمكانات الفساد في تحديد هذه القيم، فإنه يتم مقارنة قيم صادرات الدولة النامية لبقية أنحاء العالم مسعرة بقيمة فوب⁽⁶⁾ بالدولار الأمريكي، مع قيم واردات بقية أنحاء العالم من الدولة المعنية بالدولار الأمريكي أيضاً، بعد أخذ تكاليف الشحن والتأمين بنظر الاعتبار. وكذلك يتم التحقق من إمكانية وجود الفساد في تحديد قيم صادرات الدولة المعنية من خلال مقارنة قيم

وارادات الدولة المعنية من بقية أنحاء العالم، صافية من تكاليف الشحن والتأمين، مع صادرات العالم لهذه الدولة. وتحدد قيمة التلاعب بقيم فواتير الصادرات والواردات (K) وفقاً للصياغة التالية، (النزاهة المالية العالمية، 2011):

$$K = [X_i - M_j/\beta] + [M_i/\beta - X_j]$$

تشير هذه المعادلة إلى التلاعب بقيمة الفواتير (K) الناشئة عن التلاعب بقيم الصادرات (X)، والواردات (M). حيث تتم مقارنة الصادرات بقيم فوب من الدولة (X_i) مع الواردات المسجلة في الدولة (M_j). وذلك بعد أخذ التعديلات الخاصة بتكلفة التأمين والشحن. حيث تقوم المعلمة (β) بمهمة تعديل قيمة سيف⁽⁷⁾ إلى قيمة فوب، التي تقدر بـ (10%). أما من جانب الواردات (M_i) فتحول إلى قيمة فوب ثم تقارن بما قامت الدولة (j) بتسجيله كقيمة صادرات للدولة (X_j).

وتتحقق التدفقات الخارجية غير الشرعية⁽⁸⁾ في الدولة (i) حالة تقييم صادرات الدولة (i) بأقل من قيمتها مقارنة بالقيم التي سجلتها الدولة الشريكة (j) كواردات. أو/ وفي حالة تقييم واردات الدولة (i) بأعلى من قيمتها بالمقارنة مع القيم التي سجلتها الدولة الشريكة (j) المصدرة للدولة (i)، وذلك بعد أخذ التعديلات الخاصة بالتأمين والشحن بنظر الاعتبار.

2.2 منهجية النموذج المتبقي للبنك الدولي⁽⁹⁾

تتم هنا مقارنة قيم التدفقات الرأسمالية الداخلة (الموارد)، مع قيم التدفقات الرأسمالية الخارجة (الاستخدام). وتتضمن الموارد: التغير في المديونية الخارجية للقطاع العام، وصافي تدفقات الاستثمار الأجنبي المباشر. أما الاستخدام فيتضمن: عجز الحساب الجاري الذي يُمول من تدفقات حساب رأس المال والإضافة على احتياطات البنك المركزي. وتشير زيادة الموارد عن الاستخدامات إلى فقدان لرأس مال غير مسجل، الذي يشير بدوره إلى تدفقات رأسمالية خارجة عن شرعية (K):

$$K = [\Delta \text{ الأجنبي المباشر} + \text{الدين الخارجي}] - [\text{صافي الاستثمار}]$$

3.2 منهجية النموذج الضيق للأموال الساخنة⁽¹⁰⁾

تركز هذه المنهجية على قيم الخطأ والسهو في الحسابات الخارجية للدول المعنية (تعكس القيم غير المسجلة وأخطاء السهو). وفقاً لهذا الأسلوب، ينظر لقيم الخطأ والسهو الكبيرة، وذات القيمة الصافية السالبة، على أنها مؤشر للتدفقات المالية الخارجية غير الشرعية. وتأخذ الصياغة الموسعة لهذا الأسلوب بالإضافة إلى قيم الخطأ والسهو المشار إليها، التدفقات الرأسمالية الخاصة قصيرة الأجل⁽¹¹⁾ والتي لا توثق قيمها في الغالب لدى صندوق النقد الدولي. وقد قام المصدر المشار إليه أعلاه بتقدير هذه التدفقات ما بين 92.4 مليار دولار في عام 2002، و 207.6 مليار دولار في عام 2006. وتتراوح نسبة هذه التدفقات إلى الناتج المحلي الإجمالي، من الدول النامية ما بين (10% - 3)، وتصل في أقصاها، وفي حالات قليلة، إلى حدود (12% - 10). وما عدا هذه النسب للتدفقات، فإن النسب المتبقية التي تزيد عن ذلك تصنف على أنها غير شرعية.

ويؤخذ على المنهجية الخاصة باستخدام صافي الخطأ والسهو، والواردة في أسلوب "نموذج الأموال الساخنة" هو أن هذا البند لا يسجل فقط التدفقات الرأسمالية غير الشرعية (غير المسجلة) بل السهو والخطأ، أيضاً. وفي ظل فقر أغلبية الدول النامية، والأقل نمواً بشكل خاص، في مجال التدريب الملائم لإعداد موازين المدفوعات، فإنه من المتوقع ارتفاع أهمية الخطأ والسهو على حساب قيم التدفقات الرأسمالية غير الشرعية. أما المأخذ الآخر على هذه المنهجية فهو افتقاد عدد من الدول النامية للتقديرات الخارجية لهذا البند، الخطأ والسهو، في موازين مدفوعاتها. الأمر الذي يحد من إمكانية تقدير التدفقات الرأسمالية غير الشرعية وفقاً لهذا الأسلوب (كار و كارتويت-سميث، 2008). لذا فإن الاعتماد سيكون بالأساس على الأسلوبين الآخرين: الموارد-الاستخدامات، وتقليل قيم الصادرات وتضخيم قيم الواردات.

4.2 منهجية الفساد الضريبي

تعتمد المنهجية المتبعة هنا لتقدير الفساد الضريبي على تلك المقترحة من قبل الاقتصادي الجورجي، ووزير الاقتصاد السابق (بابافا، 1999). التي تعتمد بدورها على مقارنة قياس العوائد الضريبية (الفعلية) في ظل الفساد، مع تلك (المحتملة) في ظل انتفاء الفساد. ويعكس الناتج المحلي الإجمالي المحتمل حساب الناتج بعد استبعاد الواردات لكون جميع الضرائب المفروضة على التجارة الخارجية مرتبطة بالواردات، بالإضافة إلى أخذ سعر الصرف بعين الاعتبار بهدف تحويل قيمة الواردات من العملة الأجنبية إلى المحلية، لمعرفة مدى تأثير ذلك على حساب العوائد الضريبية. وبناءً على ذلك يقترح (بابافا، 1999) الصياغة التالية لتقدير الفساد الضريبي:

الصياغة المقترحة لتقدير الفساد الضريبي على المستوى القومي (تشير "I" لقيمة الفساد، و "C" للفساد، و "N" للمستوى القومي):

$$I_C^N = 1 - \frac{T_1^F}{T^P}$$

حيث أن:

$$T_1^F = T_1^T + T_1^M \quad \text{إجمالي العوائد الضريبية المجمعة في السنة (1)}$$

إجمالي العوائد الضريبية المحتملة المجمعة في السنة (1) بسبب التنمية الاقتصادية

$$T^P = T^F + T^E$$

$$T^F = t_0 Y_1'$$

$$t_0 = T_0^T / Y_0'$$

$$T^E = m_0 r_0 M_1$$

$$T_0^T = \text{إجمالي العوائد الضريبية المحصلة للسنة (0)}$$

$$Y_0' = M = \text{الناتج المحلي الإجمالي المعدل للسنة (0) بعد طرح}$$

$$m_0 = \text{نسبة الرسوم الجمركية إلى الواردات في السنة (0)}$$

$$r_0 = \text{متوسط سعر الصرف في السنة (0)}$$

$$M_1 = \text{إجمالي الواردات بالسنة (1)}$$

وبالاعتماد على البيانات المتاحة لبعض الدول العربية، حاولت الورقة تطبيق هذه الصياغة، ويوضح الملحق رقم (6) نتائج التطبيق بين عامي 2007 و 2008. علماً بأنه يتم إذا

كانت قيمة $I_C^N > 0$ ، معنى ذلك أن هناك زيادة إجمالية بدرجة الفساد الضريبي ، في حين إذا كانت قيمة $I_C^N < 0$ ، يعني ذلك أن هناك انخفاض إجمالي في درجة الفساد الضريبي . علماً بأن الحسابات القومية تتأثر بالحصيلة الضريبية من خلال بند "ضريبة الدخل D51"⁽¹²⁾ ، وكضريبة على "معاملات التجارة الخارجية D21 و D29". وتظهر هذه البنود في حسابات "تخصيص الدخل الأولي" المشار إليهم في الملخص القادم . ولا بد من التأكيد هنا على أن نتائج هذه الصياغة هي ذات طبيعة (أولية) ، (استرشادية) ، وأن المصدر الأدق لتعقب الفساد الضريبي "في حالة وجوده" ، هو تقارير مصلحة الضرائب التي من المفترض أن تعكس حجم الاستثناءات (غير المبررة بالقوانين الضريبية) ، والتهرب الضريبي ، والتلاعب في الإقرارات الضريبية ، وانعكاساتها على الحصيلة الضريبية بأنواعها المختلفة .

3. الحسابات القومية وبعض التعديلات المرتبطة بالفساد :

وفقاً لآخر نظام للحسابات القومية لعام 2008 تبدأ الحسابات القومية بحساب "الميزانية العمومية أول المدة" وتنتهي بـ "الميزانية العمومية آخر المدة". وما بين الأرصدة⁽¹³⁾ الواردة في الميزانيتين ، يمثل التغيرات الحاصلة ما بين أول المدة وآخر المدة التي تتجسد في قيم "التدفقات"⁽¹⁴⁾ الواردة في الحسابات التي تبدأ بحساب "الإنتاج" ، وتنتهي بالحساب "المالي" . بالإضافة إلى أن حساب بدون رصيد يوضح تدفقات عرض السلع والخدمات ، مع تدفقات الطلب على السلع والخدمات ، وهو حساب "السلع والخدمات" أو الحساب الصفري . وعادة ما تبدأ سنة المحاسبة القومية بأرصدة موروثه من نهاية العام الماضي ومحولة للميزانية العمومية للسنة الحالية . وبعد بداية الإنتاج تبدأ كل أو نصف مكونات الأرصدة الواردة في الميزانية العمومية أو الفترة بالتغير . وتعتبر جهود الإنتاج الواردة في حساب "الإنتاج" نقطة البداية وراء هذا التغير الذي ينتقل ليؤثر على التغيرات في توزيع واستخدام الدخل (من خلال حسابات تخصيص الدخل الأولي ، واستخدام الدخل القابل للإنتاج) ، لينتقل هذا التغير في مرحلة ثالثة ، لتغيير حسابات التراكم (من خلال تغيير الادخار الوارد في آخر حساب من حسابات توزيع واستخدام الدخل) التي تشمل حسابات رأس المال ، والحساب المالي . ولينتقل التغير ، في مرحلة رابعة ، إلى وضع الميزانية العمومية آخر المدة من خلال كيفية التصرف بصافي الإقراض/ الاقتراض الوارد في آخر حساب من حسابات التراكم . هنا مع الأخذ بنظر الاعتبار علاقة كل البنود المحاسبية ذات العلاقة بحساب العالم الخارجي سواء على شكل سلع أو خدمات أو رأس مال أو تمويل . ويوضح الملخص القادم خلاصة بالحسابات القومية ، وأرصدها المختلفة ، وأهم المتغيرات الاقتصادية الإجمالية التي يوفرها نظام الحسابات القومية .

ملخص بأهم الحسابات والبنود التوازنية وعدد من الإجماليات الاقتصادية الكلية

الإجماليات	البنود التوازنية	الحسابات
النتائج المحلي	القيمة المضافة	الحسابات الجارية حساب الإنتاج حساب الإنتاج حسابات توزيع واستخدام الدخل حسابات توزيع الدخل الأولي حساب توليد الدخل
الدخل القومي	فائض التشغيل/ الدخل المختلط رصيد الدخل الأولي دخل التنظيم	حساب تخصيص الدخل الأولي حساب دخل التنظيم
الدخل القومي القابل للإنفاق	رصيد الدخل الأولي الدخل القابل للإنفاق الدخل القابل للإنفاق المعدل	حساب تخصيص الدخول الأولية الأخرى حسابات توزيع الدخل الثانوي حساب إعادة توزيع الدخل العيني حساب استخدام الدخل
الادخار القومي	الادخار الادخار	حساب استخدام الدخل القابل للإنفاق حساب استخدام الدخل القابل للإنفاق المعدل حسابات التراكم
	صافي الاقتراض (+)/ صافي الإقراض (-) صافي الاقتراض (+)/ صافي الإقراض (-)	حساب رأس المال الحساب المالي التغيرات الأخرى في الأصول حساب التغيرات الأخرى في حجم الأصول حساب إعادة التقييم
الثروة القومية	صافي الثروة	الميزانيات العمومية
الثروة القومية	التغير في صافي الثروة صافي الثروة	الميزانية العمومية أول المدة التغيرات في الأصول والخصوم الميزانية العمومية آخر المدة
	التغير في الثروة بسبب الادخار والتحويلات الرأسمالية التغير في الثروة بسبب التغير في حجم الأصول التغير في الثروة بسبب مكاسب الحيازة وإعادة التقييم	المساهمات في تغيرات صافي الثروة حساب رأس المال التغيرات الأخرى في حجم الأصول حساب إعادة التقييم

المصدر: (الأمم المتحدة وآخرون، 2008)

إن ما يهم من العرض أعلاه في الهيكل العام للحسابات القومية هو الكيفية التي تؤثر بها منهجية الفساد المشار إليها في (1.2) و (2.2) على تقديرات المتغيرات المحاسبية القومية ذات العلاقة. وكما هو موضح في هذين القسمين فإن تقديرات (النزاهة المالية العالمية، 2011) تتضمن تقديرات الفساد المالي الخاصة بـ (أ) الفارق ما بين إجمالي الموارد، والاستخدامات المالية، و (ب) التلاعب في تسعير فواتير الواردات (بأعلى من قيمتها)، والصادرات (بأقل من قيمتها). أما تقديرات الفساد الضريبي (الواردة منهجيتها في 2.4) فتضمن تقيماً للتقديرات المرتبطة بالمعائد

الضريبي في ظل الوضع الفعلي والمحتمل والفارق بينهما الذي يعزى لأسباب الفساد. ويوضح الملحق رقمي (1) و (2) تقديرات لتدفقات الفساد المرتبطة بالتدفقات المالية المقدرة وفقاً للمنهجية الواردة في (1.2) و (2.2)، تبعاً. في حين يوضح الملحق رقم (3) آثار المنهجية (1.2)، أي المبالغة بقيمة الواردات وتقليل قيمة الصادرات، على الناتج المحلي الإجمالي للسنوات 2008-2000، وذلك حسب توفر البيانات. أما الملحق رقم (4)، فيبين فجوة التدفقات المالية الخارجية، على الأهمية النسبية للفجوة مقارنة بخدمة الدين، ومساعدات التنمية الرسمية لنفس الفترة. في حين يوضح الملحق رقم (5) تأثير المنهجية (1.2) من حيث الأهمية النسبية للمبالغة بقيمة الواردات أو تقليل قيمة الصادرات مقارنة بخدمة الدين، ومساعدات التنمية الرسمية.

وكما يلاحظ من الملحق رقم (3)، الخاص بآثار المبالغة بقيم الواردات وتقليل قيم الصادرات، فإن هذه الآثار تتفاوت بين الدول العربية ذات المعلومات المتوافرة - وذلك من خلال الزيادة المتوقعة في قيم الناتج المحلي الإجمالي في حالة سلامة التقييم بدون المبالغة والتقليل. حيث تصل نسبة التأثير إلى حوالي (8.8%) من قيمة الناتج المحلي الإجمالي، كأقصى تأثير (حالة موريتانيا لعام 2008)، إلى أدنى تأثير، 0.01% (حالة مصر لعام 2000). ويوضح الملحق رقم (5) أهمية مبالغ الفساد المالي، بسبب فجوة أسعار الواردات والصادرات، على أساس ما تمثله من أهمية بنسبة في خدمة الدين، ومساعدات التنمية الرسمية المستلمة (صافي السحب) تصدر من الدول العربية. ويلاحظ هنا بأن هذه الفجوة تفوق خدمة الدين، على أساس سنوي، في حالة جيبوتي لكافة السنوات، وموريتانيا ما عدا عامي 2000 و 2001، ولبنان لعام 2000، واليمن لعام 2005 ومصر للأعوام 2004-2007. أما بالنسبة لبقية الدول والسنوات، فيلاحظ أن الفجوة فيها تغطي ما بين نصف وثلثي خدمة الدين، في أغلب الدول والسنين. أما في ما يخص أثر فجوة أسعار الواردات والصادرات على الحاجة للمساعدات الإنمائية الرسمية، فيلاحظ أن هذه الفجوة تغطي بأكثر من مرة في حالة مصر للسنوات 2001-2008 ومرة تقريباً في عام 2000. في حين تغطيها بأكثر من سبع مرات في حالة لبنان لعام 2000، وأكثر من مرة في حالة عُمان لعام 2006، وخمس مرات في حالة اليمن لعام 2005. وعند الحديث عن آثار الفساد المالي، معبراً عنها بالفجوة ما بين قيم الموارد والاستخدامات من التدفقات المالية الخارجية، الملحق رقم (4)، فإنه يلاحظ أن هذه الفجوة تغطي خدمة الدين، في حالة جيبوتي ما بين أكثر من مرة وتسع مرات خلال الفترة 2001-2007. وما بين مرة ونصف وثلاث مرات ونصف، في حالة مصر خلال الفترة 2003-2008. وأكثر من مرة في حالة لبنان لعامي 2000 و 2001، و 43 مرة في حالة عُمان لعام 2002 (وذلك لصغر حجم مساعدات التنمية الرسمية المقدمة لعُمان والمبالغة حوالي 40 مليون دولار مقارنة بقيمة الفجوة المقدرة بحوالي 1741

مليون دولار)، وأكثر من مرة ونصف في حالة السودان لعامي 2003 و 2004، و (110) مرة في حالة سوريا لعام 2003 (لنفس السبب المشار إليه في حالة عُمان، حيث تتواضع قيمة المساعدات الإنمائية المقدمة لسوريا لتصل إلى 118 مليون دولار في عام 2003 مقارنة بـ 13027 مليون دولار قيمة الفجوة).

وتمثل مثل هذه الموارد المالية مواردًا مضاعفة⁽¹⁵⁾ كان بالإمكان استغلالها من أجل (أ) تعظيم قيمة الناتج المحلي الإجمالي، و (ب) تغطية معظم، أو كل، أو جزء من عبء خدمة الدين، و (ج) الاستغناء عن كل أو جزء من المساعدات الإنمائية. كذلك كان بالإمكان الاستغناء عن ضغط بعض بنود الإنفاق، الواردة بالموازنة العامة للدولة، لاسيما الإعانات، والتحويلات، المبررة تنموياً، أو ضغط الأمور. وما يترتب على ذلك من خفض للطلب الكلي (أنظر جهوش، 2010 حول أهمية النمو المسير بالأجور).

أما في ما يخص تأثيرات الفساد المالي على شكل الفساد الضريبي والمشار إليها في القسم (2.4) ونتائجها الواردة في الملحق رقم (6) فيلاحظ أن هناك ثلاث دول عربية فقط، بقدر تعلق الأمر ببيانات عامي 2007 و 2008، ذات قيم لمؤشر الفساد الضريبي تقل عن الصفر، في حين تفوق قيم المؤشر بالنسبة لبقية الدول قيمة الصفر، الأمر الذي يشير إلى زيادة ظاهرة الفساد الضريبي، ومن ثم الحاجة إلى إدارة ضريبية فعّالة، خاصة وأن هذه الحصيلة تؤثر، كما أشرنا في القسم (2.4)، على الحسابات القومية، من خلال ما يقابل البنود الضريبية الواردة في الحسابات القومية (D51) و (D21) و (D29) ما يقابلها في الموازنة العامة للدولة على شكل ضرائب دخل أفراد وشركات، وضرائب على الإنتاج والمستوردات.

4. الخلاصة

تركز الاهتمام بظاهرة الفساد وآثارها الاقتصادية على معدل الاستثمار والنمو الاقتصادي أساساً. ناهيك عن الاهتمام غير المتوازن بالفساد المرتبط بالحكومة والقطاع العام، وما رافق ذلك من إهمال واضح للاهتمام بالجوانب الأخرى للفساد، عدا الاستثمار ومعدل النمو، وبالمؤسسات العامة عدا الخاصة. ورغم أهمية التنبيه لهذه الأوجه من القصور، إلا أن الورقة اهتمت بالمرجع الأساسي لقواعد بيانات المتغيرات الاقتصادية الكلية والقطاعية، وهو الحسابات القومية. وقد تم الاهتمام بهذه الحسابات من حيث المكونات الإجمالية لها، وتحديد أهم الآليات التي يمكن أن يؤثر

بها الفساد على بعض قيم الحسابات القومية (المتغيرات الاقتصادية الكلية)، وذلك بالاعتماد على عدة مناهج واليات. علماً بأن نظام الحسابات القومية لعامي 1993 و 2008 قد اهتم بالتدفقات غير الشرعية من خلال نظرنه لتعريف "حدود الإنتاج"،⁽¹⁶⁾ حيث أضاف لها كافة الأنشطة غير الشرعية مثل التهريب، والتعامل بالمخدرات والاقتصاد الخفي. الأمر الذي لم يتم شموله في تعريف حدود الإنتاج وفقاً لنظام عام 1968. إلا أن المشكلة لازالت قائمة في الدول النامية وذلك لتخوف ممارسي الأنشطة المختلفة من الإشارة إلى أنشطتهم غير الشرعية في استثمارات المسوحات ذات العلاقة بالإنتاج، خوفاً من المساءلة القانونية، على خلاف ما يجري في الدول المتقدمة، حيث السرية وعدم إمكانية استخدام بيانات المسوحات لأغراض جنائية. كما أن هناك أنشطة غير شرعية خارج حدود الإنتاج، مثل تلك المرتبطة بالتلاعب بقيم الواردات (صعوداً)، والصادرات (نزولاً)، والفارق أو الفجوة بين الموارد المالية الخارجية المعروضة على الاقتصاد محل التحليل، والمستخدمة، بالإضافة إلى الفساد المرتبط بالعوائد الضريبية.

وقد أوضحت الورقة أن هناك وفراً محتملاً خاصة في مجال فجوة تقييم صفقات الواردات والصادرات، وفجوة التدفقات المالية الخارجية. وتتفاوت هذه الفجوة من دولة عربية لأخرى، حسب توفر البيانات للفترة 2000-2008. كما تتفاوت ظاهرة الفساد الضريبي، هي الأخرى من دولة عربية لأخرى، ما عدا ثلاث دول عربية لا تتصف بهذا الفساد. وإذا ما كان هناك من استنتاجات في هذا المجال، فلا بد أن تنصّب أساساً في مجال إعادة النظر ببيانات الواردات، والصادرات المستخدمة في إحصاءات الحسابات القومية الرسمية، وذلك من خلال إعادة تقييمها بالشكل الذي يأخذ بنظر الاعتبار تعديلات المراكز الإحصائية المعنية في تقدير التدفقات غير الشرعية، المشار إليها في الورقة، لما لذلك من أثر على عدد من الحسابات الاقتصادية الكلية، وتأثير ذلك على قيم الناتج المحلي الإجمالي، والدخل المتاح للإنفاق، بالإضافة إلى جانب العوائد الموازنة العامة للدولة وإسقاطاته في مجال المحاسبة القومية.

5. ملاحظات ختامية

لا يعتبر الفساد الاقتصادي مرتبطاً بنمط الملكية، بقدر اعتباره ظاهرة مؤسسية تتعدى أنماط الملكية لتشمل كافة المؤسسات. أن المحدد الرئيسي لهذه الظاهرة هو نظام القيم السائد، ودور القانون، بشكل أساسي. وفي ظل سيادة ندرة الموارد المالية، معبراً عنها في العجز المالي، من خلال الموازنة العامة للدولة، والعجز الخارجي معبراً عنه من خلال ميزان المدفوعات. فمن المهم إعادة تعبئة الموارد المالية المحلية من خلال الحدّ من الفساد الاقتصادي، بدلا من اللجوء إلى

مصادر تمويل تعتمد على الاقتراض الخارجي والداخلي، أو على الأقل التخفيف من الاعتماد على هذين المصدرين من التمويل. وعليه فإن هناك حاجة لإعادة تقييم عدد من المتغيرات الاقتصادية وكيفية تأثيرها بالفساد الاقتصادي، وضمن نظام الحسابات القومية، سواء تلك المتغيرات المرتبطة بأنشطة المقيمين وما يرتبط بها من حسابات، أو الأنشطة غير المقيمة، وما يرتبط بها من حسابات. ويهدف ذلك إلى إعادة تقييم هذه المتغيرات، وتأثيراتها على الأداء الاقتصادي الكلي، معبراً عنه بالنتائج المحلي الإجمالي والدخل القومي الإجمالي. وقد أوضحت نتائج تطبيق المناهج المشار إليها في الورقة، أن هناك وفراً مالياً بسبب تحديد مواطن الفساد الاقتصادي، وبالشكل الذي يؤثر إيجاباً على الأداء الاقتصادي الكلي.

الهوامش

- (1) Enron .
- (2) OECD .
- (3) Corporate Corruption Bill .
- (4) Downsizing of the Government .
- (5) If we abolish the state ، we abolish corruption .
- (6) F.O.B Free on Board ، السعر على ظهر الباخرة في ميناء التصدير).
- (7) C.I.F (قيمة الواردات "C" بميناء الاستيرادات شاملة تكلفة التأمين "I" والشحن "F") .
- (8) Illicit Outflows .
- (9) The World Bank Residual Model .
- (10) The Hot ، Narrow ، Model .
- (11) Private Short-term Capital Flows .
- (12) يشير حرف (D) إلى أن هذه المعاملة هي معاملة توزيعية (Distributive) . ويشير الرقم إلى رقم المعاملة التوزيعية وفقاً لنظام الأمم المتحدة للحسابات القومية .
- (13) Stocks .
- (14) Flows .
- (15) Foregone Resources .
- (16) Production Boundary .

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21 الحسابات القومية والفساد: بعض المعالجات والآثار

ملحق رقم (1) فجوة التدفقات بين أسعار الواردات والصادرات بين الدول المصدرة والمستوردة
2008-2000
(مليون دولار)

الدولة	2000	2001	2002	2003	2004	2005	2006	2007	2008
الجزائر	0	0	0	0	0	0	0	0	0
البحرين	0	0	0	0	0	0	0	0	0
جيبوتي	23	25	26	32	39	42	50	60	87
مصر	1322	1311	1492	1216	3072	2576	4351	4296	3185
العراق	0	0	0	0	0	0	0	0	0
الأردن	0	0	0	0	0	0	0	0	0
الكويت	0	0	0	0	0	0	0	0	0
لبنان	1491	112	0	0	0	0	0	0	0
ليبيا	0	0	0	0	0	0	0	0	0
موريتانيا	52	57	62	79	105	118	145	181	207
المغرب	0	0	0	0	0	3427	0	0	0
عُمان	0	0	0	0	0	0	2471	0	0
قطر	32	380	0	0	0	0	0	0	0
السعودية	0	0	0	0	0	0	0	0	0
السودان	0	0	0	0	0	0	0	0	0
تونس	0	0	0	0	0	0	0	0	0
الإمارات	0	0	0	0	560	902	1168	1386	4304
اليمن	0	0	0	0	0	1068	0	0	0

تشير السنوات ذات القيم الصفيرية إلى تلك السنوات التي تم إسقاطها لعدم توفر شروط المعايير الذي يقتضي استبعاد السنوات التي لا يزيد الفرق بين قيمة الصفقة التجارية المسجلة من قبل المستورد، والمصدر عن (10%) بأسعار فوب (كار و كارتويت-سميث، 2008).
المصدر: (النزاهة المالية العالمية، 2011).

ملحق رقم (2) فجوة التدفقات المالية الخارجية
2008-2000
(مليون دولار)

الدولة	2000	2001	2002	2003	2004	2005	2006	2007	2008
الجزائر	0	0	1943	2699	0	0	0	0	0
البحرين	984	0	0	0	0	1093	3300	1579	2725
جيبوتي	0	17	94	89	77	37	106	217	12
مصر	0	0	1686	4308	6257	0	8618	9328	4191
العراق	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ
الأردن	0	663	393	802	605	0	962	0	0
الكويت	12847	8406	6183	16148	15530	29291	44312	55988	53459
لبنان	1624	1901	775	0	1974	0	2208	2012	0
ليبيا	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ	م.غ
موريتانيا	0	0	0	0	0	0	0	0	0
المغرب	0	0	0	0	0	0	0	0	0
عُمان	0	0	1741	0	0	3673	4867	0	6241
قطر	م.غ	4923	4108	4537	9771	15382	23255	27672	47618
السعودية	9071	8182	0	34905	50744	47390	52314	59027	39877
السودان	0	0	221	1084	1002	0	0	0	1687
سوريا	0	0	0	13027	0	0	0	0	0
تونس	0	917	2476	2327	0	0	1031	1717	0
الإمارات	10206	6343	0	14561	27041	46680	70993	18793	72961

تشير السنوات ذات القيم الصفيرية إلى تلك السنوات التي تم إسقاطها لعدم توفر شروط المعايير⁽¹⁵⁾ الذي يقتضي شرط سيادة حالة التدفقات المالية الخارجية⁽¹⁶⁾، بدلاً من التدفقات المالية الداخلة⁽¹⁷⁾، على الأقل لمدة ثلاث سنوات من مجموع خمس سنوات (كار و كارتويت-سميث، 2008).
المصدر: (النزاهة المالية العالمية، 2011).

(15) Production Boundary.

(16) Outflows.

(17) Inflows.

23 الحسابات القومية والفساد، بعض المعالجات والآثار

ملحق رقم (3) تأثير الفساد المالي وفقاً لمنهجية المبالغة بقيم الواردات وتقليل قيم الصادرات على الناتج المحلي الإجمالي لعدد

من الدول العربية

2008-2000

2008	2007	2006	2005	2004	2003	2002	2001	2000	
									جيبوتي:
983	848	769	709	666	622	591	572	551	الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
87	60	50	42	39	32	26	25	23	التأثير حسب المنهجية (مليون دولار)
896	788	719	667	627	590	565	547	528	الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
8.8	7.0	6.5	5.9	5.8	5.1	4.3	4.3	4.1	النسبة المئوية للتأثير (%)
								99839	مصر:
162836	130473	107484	89686	78845	82924	87851	97632	99839	الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
3185	4296	4351	2576	3072	1216	1492	1311	1322	التأثير حسب المنهجية (مليون دولار)
159651	126177	103133	87110	75773	81708	88359	96321	98517	الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
1.9	3.2	4.0	2.8	3.8	1.4	1.6	1.3	1.3	النسبة المئوية للتأثير (%)
									لبنان:
							17650	17260	الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
							112	1491	التأثير حسب المنهجية (مليون دولار)
							17538	15769	الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
							0.6	8.6	النسبة المئوية للتأثير (%)
									موريتانيا:
3589	2838	2699	1858	1548	1285	1150	1122	1081	الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
207	181	145	118	105	79	62	57	52	التأثير حسب المنهجية (مليون دولار)
3382	2657	2554	1740	1443	1206	1088	1065	1029	الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
5.7	6.3	5.3	6.3	6.7	6.1	5.3	5.0	4.8	النسبة المئوية للتأثير (%)
									المغرب:
			59524						الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
			3427						التأثير حسب المنهجية (مليون دولار)
			56097						الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
			5.7						النسبة المئوية للتأثير (%)
									عمان:
		36804							الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
		2471							التأثير حسب المنهجية (مليون دولار)
		34333							الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
		6.7							النسبة المئوية للتأثير (%)
									قطر:
						17538	17760		الناتج المحلي الإجمالي قبل التأثير (مليون دولار)
						380	32		التأثير حسب المنهجية (مليون دولار)
						17158	17728		الناتج المحلي الإجمالي بعد التأثير (مليون دولار)
						0.2	0.01		النسبة المئوية للتأثير (%)

يتبع ملحق رقم (3)...

2008	2007	2006	2005	2004	2003	2002	2001	2000	
									الإمارات:
261348	207570	163296	133000	103784					النتائج المحلي الإجمالي قبل التأثير (مليون دولار)
4304	1386	1168	902	560					التأثير حسب المنهجية (مليون دولار)
257044	206184	162128	132098	103224					النتائج المحلي الإجمالي بعد التأثير (مليون دولار)
1.6	0.06	0.07	0.06	0.5					النسبة المئوية للتأثير (%)
									اليمن:
			16737						النتائج المحلي الإجمالي قبل التأثير (مليون دولار)
			1068						التأثير حسب المنهجية (مليون دولار)
			15669						النتائج المحلي الإجمالي بعد التأثير (مليون دولار)
			6.3						النسبة المئوية للتأثير (%)

المصدر: محتسبة بالاعتماد على:

- ملحق رقم (1).

- WDI website.

25 الحسابات القومية والفساد، بعض المعالجات والآثار

ملحق رقم (4) تأثير الفساد المالي وفقاً لمنهجية فجوة التدفقات المالية الخارجية لعدد من الدول العربية
2008-2000

2008	2007	2006	2005	2004	2003	2002	2001	2000	
									الجزائر:
0	0	0	0	0	2699	1943	0	0	الفجوة (مليون دولار)
					0.62	0.46			نسبة الفجوة من خدمة الدين
					11.5	5.9			نسبة الفجوة من مساعدات التنمية الرسمية
									جيبوتي:
12	217	106	37	77	89	94	17	0	الفجوة (مليون دولار)
0.48	9.43	5.04	2.31	4.27	5.56	7.83	1.70		نسبة الفجوة من خدمة الدين
0.09	1.93	0.09	0.48	1.20	1.20	1.20	0.29		نسبة الفجوة من مساعدات التنمية الرسمية
									مصر:
4191	9328	8618	0	6257	4308	1686	0	0	الفجوة (مليون دولار)
1.29	3.17	3.49		2.88	1.60	0.81			نسبة الفجوة من خدمة الدين
3.10	8.42	9.87		4.29	4.36	1.36			نسبة الفجوة من مساعدات التنمية الرسمية
									الأردن:
0	0	962	0	605	802	393	633	0	الفجوة (مليون دولار)
		1.39		0.85	0.69	0.66	0.95		نسبة الفجوة من خدمة الدين
									نسبة الفجوة من مساعدات التنمية الرسمية
									لبنان:
0	2012	2208	0	1974	0	775	1901	1624	الفجوة (مليون دولار)
	0.42	0.48		0.44		0.34	1.27	1.08	نسبة الفجوة من خدمة الدين
									نسبة الفجوة من مساعدات التنمية الرسمية
									عمان:
6241	0	4867	3673	0	0	1741	0	0	الفجوة (مليون دولار)
									نسبة الفجوة من خدمة الدين
195.03		139.05				43.52			نسبة الفجوة من مساعدات التنمية الرسمية
									السودان:
1687	0	0	0	1002	1084	221	0	0	الفجوة (مليون دولار)
									نسبة الفجوة من خدمة الدين
0.70				1.01	1.76	0.64			نسبة الفجوة من مساعدات التنمية الرسمية
									سوريا:
0	0	0	0	0	13027	0	0	0	الفجوة (مليون دولار)
					27.71				نسبة الفجوة من خدمة الدين
					110.39				نسبة الفجوة من مساعدات التنمية الرسمية
									تونس:
0	1717	1031	0	0	2327	2476	917	0	الفجوة (مليون دولار)
	0.68	0.40			1.43	1.66	0.65		نسبة الفجوة من خدمة الدين
	5.34	2.38			7.80	9.34	2.43		نسبة الفجوة من مساعدات التنمية الرسمية

المصدر: محتسبة من:

- ملحق رقم (2).

- صندوق النقد العربي، 2010.

ملحق رقم (5) تأثير الفساد المالي وفقاً لمنهجية فجوة أسعار الواردات، والصادرات لعدد من الدول العربية

2008-2000

2008	2007	2006	2005	2004	2003	2002	2001	2000	
									جيبوتي:
87	60	50	42	39	32	26	25	23	الفجوة (مليون دولار)
3.48	2.60	2.38	2.62	2.16	2.0	2.16	2.50	1.76	نسبة الفجوة من خدمة الدين
0.71	0.53	0.42	0.55	0.60	0.40	0.33	0.43	0.32	نسبة الفجوة من مساعدات التنمية الرسمية
									مصر:
3185	4296	4351	2576	3072	1216	1492	1311	1322	الفجوة (مليون دولار)
0.98	1.46	1.76	1.13	1.41	0.45	0.71	0.66	0.72	نسبة الفجوة من خدمة الدين
2.36	3.88	4.98	2.58	2.10	1.23	1.20	1.04	0.99	نسبة الفجوة من مساعدات التنمية الرسمية
									لبنان:
							112	1491	الفجوة (مليون دولار)
							0.07	1.00	نسبة الفجوة من خدمة الدين
							0.46	7.45	نسبة الفجوة من مساعدات التنمية الرسمية
									موريتانيا:
207	181	145	118	105	79	62	57	52	الفجوة (مليون دولار)
3.28	1.49	1.59	1.81	1.87	1.43	1.14	0.77	0.62	نسبة الفجوة من خدمة الدين
0.66	0.52	0.76	0.58	0.55	0.31	0.18	0.21	0.24	نسبة الفجوة من مساعدات التنمية الرسمية
									عمان:
		2471							الفجوة (مليون دولار)
									نسبة الفجوة من خدمة الدين
		1.20							نسبة الفجوة من مساعدات التنمية الرسمية
									اليمن:
									الفجوة (مليون دولار)
			1068						نسبة الفجوة من خدمة الدين
			5.06						نسبة الفجوة من مساعدات التنمية الرسمية

المصدر: محتسبة من:

- ملحق رقم (1).

- صندوق النقد العربي، 2010.

ملحق رقم (6) النتائج التقديرية لاتجاهات الفساد الضريبي في عدد من الدول العربية
2007-2008

الاتجاه (أكبر أو أقل من الصفر)	I_C^N تقدير	الدولة
0<	0.9319	الجزائر
0<	0.1998	البحرين
0<	0.1460	مصر
0<	0.9980	العراق
0<	0.6512	الأردن
0>	-0.1692	الكويت
0<	0.9869	لبنان
0<	0.9790	موريتانيا
0>	-0.2662	عمان
0<	0.5641	قطر
0<	0.5314	السودان
0<	0.8840	سوريا
0>	-0.1256	تونس
0<	0.5176	الإمارات
0<	0.9804	اليمن

المصادر: البيانات المستخدمة في احتساب صياغة الفساد الضريبي مستمدة من صندوق النقد العربي، 2010، النشرة الإحصائية العربية ومجموعات إحصائية عربية أخرى.

وقائع المؤتمر الدولي الرابع

اتجاهات اقتصادية عالمية 4، حول ”الأزمة الاقتصادية العالمية من منظور الاقتصاد الإسلامي“

(الكويت: 15 - 16 ديسمبر 2010)

عرض: صالح العصفور*

تحت رعاية سمو الشيخ ناصر المحمد الأحمد الصباح رئيس مجلس الوزراء الكويتي، مثله السيد مصطفى الشمالي وزير المالية، عقدت كلية العلوم الإدارية مؤتمرها الدولي ”اتجاهات اقتصادية عالمية 4“ تحت عنوان ”الأزمة المالية العالمية من منظور الاقتصاد الإسلامي“ خلال الفترة 15 - 16 ديسمبر من عام 2010. ناقش المؤتمر على مدى يومين (12) ورقة علمية قدمها باحثون توزعوا على (10) دول عربية وأجنبية، واستقطب المؤتمر ما يزيد على 250 مشاركاً من الكويت وخارجها مثلوا مؤسسات مالية واقتصادية ومعاهد علم مختلفة من الكويت وخارجها.

نوقشت في المؤتمر ورقتان رئيسيتان بالإضافة إلى عشر أوراق قدمت في الجلسات المقررة حسب محاور المؤتمر وهي؛ دور الأخلاقيات في الاستقرار الاقتصادي، والتمويل الإسلامي في مقابل التمويل التقليدي، ودور السياسات الاقتصادية من منظور إسلامي وتجارب دولية ومؤسسية في مواجهة الأزمة من وجهة نظر إسلامية.

1. كلمة الافتتاح

استهل المؤتمر بكلمة لممثل راعي المؤتمر معالي السيد مصطفى الشمالي وزير المالية، حيث ذكر أن العالم يواجه أزمة مالية تجذرت منذ عام 2007 في مصدرها الولايات المتحدة الأمريكية لتنتقل إلى الغالبية العظمى من دول العالم غنيها وفقيرها، المتقدمة منها والنامية، وبتأثير متفاوت في كل منها حسب طبيعة كل اقتصاد ومدى تحمله للهزات والأزمات. كما ذكر أن دول العالم بدأت بمعالجة الأزمة بالانتظار والترقب آملة أن يعالج السوق نفسه حسب آليات الاقتصاد الحر، إلا أن ما تبين لاحقاً من ضخامة المشكلة وفداحة الخسائر وإفلاس العديد من المصارف على مستوى

* باحث ومنسق وحدة النشر العلمي - المعهد العربي للتخطيط.

العالم وفي الولايات المتحدة على وجه الخصوص فرض على الدول إجراءً إستثنائياً وهو التدخل الحكومي الذي تدرج حسب تطور الأزمة.

وفي هذا السياق فقد قامت الحكومة الكويتية باتخاذ التدابير اللازمة لمواجهة آثار الأزمة المالية العالمية للحد من خطورتها على الاقتصاد الكويتي بإصدار قانون الاستقرار المالي لعام 2009، وكذلك من أجل مساندة البنوك الكويتية وتعزيز أوضاعها المالية وتشجيعها على منح القروض الجديدة لتحريك الاقتصاد، كما قام بنك الكويت المركزي بتعزيز رقابته على المصارف بإصدار ما يلزم من تعليمات تستهدف المحافظة على سلامة أوضاعها المالية وتفاذي الممارسات والظروف التي أدت إلى هذه الأزمة.

وذكر السيد الشمالي بأن هذه الأزمة قد لفتت الأنظار للاقتصاد الإسلامي ومدى قدرته على مواجهة الأزمات، وبحث تطوير الصناعة المالية الإسلامية وتعزيزها لتشكيل رافداً مهماً من روافد التنمية لمواكبة التطورات العالمية في هذا المجال. وتمنى ممثل راعي المؤتمر أن تمثل المساهمات من خلال المقترحات والتوصيات التي يتوصل إليها المؤتمر آليات للخروج من هذه الأزمة وأية أزمات مستقبلية سواء من خلال الصناعة المصرفية التقليدية أو من منظور الاقتصاد الإسلامي.

2. الورقة الرئيسية الأولى

كانت الورقة الأولى للدكتور محمد الصباح (الذي فضل عدم تسميته بصفته الرسمية، بل بصفته الأكاديمية، باعتباره أستاذاً في كلية العلوم الإدارية الجهة المنظمة للمؤتمر). كانت الورقة بعنوان "الأزمة المالية العالمية والقطاع المصرفي الكويتي"، تناولت الدروس المستفادة من الأزمة المالية والاقتصادية العالمية التي تفاقمت خلال الربع الأخير من عام 2008، وأبرز أسباب نشوئها وهي: إختلالات العمل المصرفي المتمثلة في ضعف الانضباط الائتماني والتراخي في شروط منح الائتمان، وزيادة معدلات الرفع المالي وضعف في إدارة المخاطر لدى المؤسسات المالية كالضعف في وظائف هذه الأسواق.

وأشارت ورقة الدكتور الصباح إلى أن الأزمة المالية والاقتصادية قد أُلقت بتداعياتها على القطاعات المصرفية في معظم دول العالم ومن ضمنها القطاع المصرفي الكويتي. وفي ضوء حجم ارتباطات المصارف والمؤسسات المالية الإسلامية بالأسواق، فقد تركت هذه الأزمة آثاراً سلبية على البنوك الإسلامية تمثلت تداعياتها في انخفاض أسعار الأصول المالية والعقارية، وتباطؤ الطلب على أدوات التمويل الإسلامية وأيضاً تباطؤ النمو في إصدار الصكوك الإسلامية،

وبالتالي فقد كانت تداعيات هذه الأزمة مؤثرة على كل البنوك التقليدية منها والإسلامية، وهو ما أوجد دعوات للنظر في تطوير أساليب ونماذج وممارسات العمل المصرفي، وخصوصاً في مجال تطوير وتحسين إدارات المخاطر تجنباً لآثار أزمة مالية في المستقبل، حتى تتمكن البنوك من ممارسة دور ريادي في أداء اقتصادات دولها.

وفي هذا السياق، فقد طالبت الورقة البنوك الإسلامية بإعادة تقييم نماذج العمل الموجودة لديها وعلى وجه الخصوص من حيث تدعيم قواعدها الرأسمالية، وتحسين إدارة السيولة، مع تقييم منتجاتها لإزالة المخاطر الكامنة في ميزانيتها العمومية وتحقيق الاستقرار في أوضاع التمويل لديها.

ومن جانب آخر، طالبت الورقة السلطات الرقابية بمراجعة وتحديث التشريعات المالية للعمل المصرفي الإسلامي، بما يساعد البنوك الإسلامية على توفير المنتجات والأدوات المناسبة لطبيعة عملها واستقرار مواردها المالية، وبما يعزز الدور الإشرافي والرقابي على أعمال هذه البنوك الإسلامية.

أشارت الورقة إلى ما تركته الأزمة المالية العالمية من تأثيرات سلبية على الاقتصاد الكويتي، تمثلت بالتراجع الحاد في قيم الأصول نتيجة لمواجهة عدم الثقة في الأسواق، وتراجع حجم النشاط الاقتصادي مصحوباً بشح مصادر التمويل وانقطاع بعضها، وضعف قدرة الشركات على تحقيق العوائد وتزايد حجم مديونياتها بالإضافة إلى الآثار التي تركتها الأزمة على البنوك التقليدية والإسلامية، والتي تمثلت بتراجع قيمة محافظها الإقراضية ومحافظ التمويل ومحافظ استثماراتها المالية والعقارية.

وقد تناولت الورقة ما قامت به دولة الكويت بدعم مما تتمتع به من تصنيفات سيادية عالية من قبل وكالات التصنيف العالمية الرئيسية بتوجيه السياسة الاقتصادية لديها بجانبها النقدي والمالي لمواجهة آثار الأزمة المالية العالمية على أوضاع القطاع المصرفي والوضع الاقتصادي في الكويت بصفة عامة. فعلى صعيد السياسة النقدية والرقابية إنتهج البنك المركزي سياسة التخفيف في تطبيق هذه الأدوات، وهي السياسات التي بُدئ بتطبيقها من قبل البنوك المركزية والسلطات الرقابية في معظم دول العالم. وفي هذا السياق فقد قام البنك المركزي في الربع الأخير من عام 2008 باتخاذ حزمة من الإجراءات على صعيد السياسة الرقابية والنقدية تمثلت بضخ السيولة في الجهاز المصرفي لفترات استحقاق مختلفة، وإدخال تعديلات في بعض النسب الرقابية بهدف تخفيف ضوابط الإقراض، بما يسمح بتوسيع المساحة الإقراضية لديها، وتسهيل إنسياب تدفق الائتمان المصرفي داخل قطاعات الاقتصاد الوطني للحد من حدوث انكماش في الائتمان المصرفي.

ومن ضمن الإجراءات التي اتخذها البنك المركزي في هذا الشأن رفع الحد الأقصى لنسبة القروض إلى الودائع من 80% إلى 85%، والسماح للبنوك باعتبار العقارات من ضمن الضمانات المطلوبة لتخفيف المخاطر الائتمانية، وتخفيف نسبة متطلبات السيولة من 20% إلى 18%. أما على صعيد السياسة النقدية في مجال سعر الفائدة، فقد قام البنك المركزي منذ بداية أكتوبر من عام 2008 بإجراء ستة تخفيضات في سعر الخصم.

3. الورقة الرئيسية الثانية

كانت هذه الورقة للدكتور يوسف إبراهيم المستشار في الديوان الأميري تحت عنوان السياسات الاقتصادية والتمويل من مفهوم إسلامي. فذكر منذ البداية أن هناك تداخل وتقاطع كبير بين الجانب النظري العلمي والجانب الديني في التحليل والقياس. فأكد الباحث عن قناعته بعدم وجود إقتصاد ديني بمعناه الكامل، فليس هناك من إقتصاد مسيحي وإقتصاد بوذي أو غيره، فهناك اجتهادات لمعاملات مالية وتجارية إسلامية متفق على البعض منها وهناك اختلاف حول البعض الآخر منها حسب الظروف المحيطة.

ذكرت الورقة أن الأزمة المالية قد أدت إلى توقف النظام المالي العالمي حسب تعبير رئيس الوزراء البريطاني السابق جوردن براون، أو كما وصف الرئيس الأمريكي السابق جورج بوش أسواق المال بأنها أصبحت مسطولة، ولكن الحقيقة هي أكبر من ذلك بكثير، حيث تعتبر هذه الأزمة من أسوأ الأزمات الاقتصادية في التاريخ الحديث في العالم من حيث حجمها ونطاق تأثيرها جغرافياً وسكانياً، حيث تراجع النمو الاقتصادي العالمي إلى أدنى مستوياته بل أصبح بالسالب للمرة الأولى منذ الحرب العالمية الثانية.

ذكر المحاضر أن هناك الكثير من المؤشرات والسمات التي تبين عمق أسباب الأزمة، وحدد الإطار العام لأسباب حدوثها في الإفراط بالإقراض والاقتراض وتخفيف تكلفة المخاطرة، مما أدى بالمحصلة النهائية إلى تضخم في أسعار وقيم الأصول والسلع والمواد الأولية. وقد ساهم التطور الكبير في قطاع الاتصال والتكنولوجيا إلى امتداد وسرعة انتشار هذه الأزمة لمعظم بقاع العالم، كما ساهمت التعديلات في القوانين والتشريعات على مستوى العالم، والتي سميت بتحرير الأسواق ومنها التعديلات التي أدخلت في عام 1999 على إندماج البنوك التجارية والبنوك الاستثمارية في تشابك مصالح المؤسسات المصرفية، حيث لم تقتصر المصارف على دورها التقليدي في توفير الإقراض للمشاريع والشركات والأفراد، بل تعدت ذلك الدور لاستحداث خدمات مالية جديدة من صناديق وأدوات استثمارية وخلقت أسواقاً لتلك الأدوات بالتمويل والإقراض المقدم منها.

تناولت الورقة الأصوات المنادية بالتغيير عند كل أزمة يتعرض لها الاقتصاد العالمي وهو ما حدث في الأزمة الحالية، حيث تعالت الأصوات لتدخل الحكومة من خلال برامج إنفاق كبيرة أدت إلى ارتفاع الدين العام في العديد من الدول مما أدى إلى حدوث أزمة في أوروبا، ناهيك عن شراء أصول وتدخل في إدارة مؤسسات عملاقة سواء كانت مالية أو صناعية، كما سارع السياسيون بإصدار أكبر تعديلات على التشريعات المنظمة للأسواق المالية تهدف إلى خلق استقرار مالي من خلال زيادة المحاسبة والشفافية في النظام المالي ولحماية دافعي الضرائب من خلال إنهاء عمليات الإنقاذ المالي وحماية المستهلك من التعاملات في الخدمات المالية الجائرة.

أشارت الورقة إلى امتداد التيار المناادي بالتغيير إلى معظم دول العالم في سبيل وقف الإنهيار في أسواق المال وأسواق العمل، حيث ارتفعت معدلات البطالة بشكل كبير. كما خلقت الزيادة في الإنفاق أزمة جديدة تمثلت في أزمة الديون السيادية التي ما زالت كثير من الدول تعاني منها، وهناك حاجة لإعادة بناء جسور الثقة لمعالجتها في دول الإتحاد الأوربي.

أما على المستوى الإقليمي والمحلي، فقد أشارت الورقة إلى ظهور بعض الأصوات التي تنتقد النظام المالي التقليدي وتشيد بالمؤسسات المالية والاستثمارية الإسلامية إلى أن تعمقت الأزمة، ليتبين أن هذه الأزمة لم تستثن أحداً سواء الإسلامي أو التقليدي. وقد كان الفارق فقط هو كفاءة الإدارة ونظم الحوكمة السائدة في الشركة، ودرجة تقييم المخاطر وعلاقة مجلس الإدارة بالإدارة التنفيذية.

هذا وقد ظهرت نتائج هذه الأزمة على الاقتصاد الخليجي والمحلي، حيث تأثر بالإخفاض الكبير في أسعار النفط بحوالي 70% من أعلى قيمة له، ليتحسن بعد ذلك ليصل في أحسن الأحوال إلى أكثر من نصف ما كان عليه (147 دولار). ونتيجة لذلك، فقد حدث إنخفاض كبير وسلب في الناتج المحلي الإجمالي الحقيقي في الكويت بحوالي 4.5% بعد ارتفاعه بحوالي 6% في عام 2007، كما تراجع مؤشر سوق الكويت للأوراق المالية بحوالي 38%. وبالرغم من هذه التأثيرات، إلا أنها تعتبر صغيرة نسبياً إذا ما قورنت بما أصاب العديد من إقتصادات العالم.

شدت الورقة على أن مواجهة آثار الأزمة العالمية يجب أن لا تهدف فقط إلى رفع قيم الأصول المالية والعقارية إلى عهدها السابق، بل يجب أن تمثل فرصة حقيقية لمواجهة الاختلالات الهيكلية المتزايدة التي تواجه الاقتصاد الكويتي منذ أكثر من 50 عاماً، فالكويت دولة مالية عامة كما يسميها الأستاذ جاسم السعدون، حيث تتلقى الصدمات الإيجابية والسلبية رغماً عن إرادتها. فالأزمة الحقيقية ليست مالية، بل تتمثل في الاختلالات الهيكلية التي تواجه الكويت، وبالتالي فإن معالجة الاختلالات ستساهم في الشفاء من آثار الأزمة المالية العالمية وتحصن الاقتصاد من أزمات مماثلة.

وفي الختام أوضحت الورقة أن هناك حاجة إلى بوصلة لبدء طريق التغيير والتطوير لمعالجة الاختلالات، وأن الرؤية الاستراتيجية للعام 2035، التي بدأت من توجيهات صاحب السمو الأمير بفكرة تحويل الكويت إلى مركز مالي وتجاري إقليمي، والاتفاق بين السلطين التشريعية والتنفيذية على تلك الرؤية الاستراتيجية، هي أحد الإنجازات البارزة في فترة ما بعد الأزمة العالمية، فواكب ذلك إقرار الخطة التنموية للفترة (2009 - 2014) والتي تعتبر الخطوة الأولى لترجمة الأهداف الاستراتيجية في الرؤية لواقع عمل في الأجل المتوسط.

4. المحور الأول: دور الأخلاقيات في الاستقرار الاقتصادي

يستهدف هذا المحور توضيح أسباب الأزمة الاقتصادية العالمية من وجهة نظر إسلامية وتحديد الضوابط الأخلاقية في النشاط الاقتصادي من منظور الاقتصاد الإسلامي. نوّقت ورقة بحثية واحدة في هذا المحور، أفادت منذ بدايتها أن هناك خلل في أصل النظام الرأسمالي الذي يحكم العالم اليوم إقتصادياً واستثمارياً وتمويلياً، الأمر الذي يقف وراء هذه الأزمة والأزمات الأخرى التي مر بها العالم على امتداد القرن الماضي وبدايات القرن الحالي. وللتدليل على ذلك فقد أفادت الورقة أنه وسط هذا الاضطراب المالي وترنح المصارف والبنوك العالمية وإعلان إفلاس العديد من المؤسسات المالية والمصرفية والانتاجية، كان هناك نوع آخر من صيغ الاستثمار وبرامج الصيرفة بقي معافى بعيد عن التأثيرات السلبية لهذه الأزمة، ألا وهي الصيرفة الإسلامية التي تقوم على الاقتصاد السلعي بدلاً من الاقتصاد النقدي، حيث أن الاستثمار السلعي هو الذي يخلق فرص العمل ويوفر حاجات الإنسان ومتطلباته الأساسية وهو جوهر التنمية وقوامها، بينما يعمل الاستثمار النقدي إلى زيادة التضخم النقدي وتداول العمليات الإئتمانية بين المستثمرين دون وجود سلع تقابلها، وإلى زيادة البطالة وتقليل العمليات الإنتاجية، وذلك مناف لعملية التنمية وأهدافها.

أما في ما يتعلق بالضوابط الأخلاقية الإسلامية في الاستثمار وضوابط المعاملات المصرفية فيه، فقد أكدت الورقة أن المعالجة التي يقدمها الاقتصاد الإسلامي للأزمة العالمية الراهنة لغيرها من الأزمات تتمثل في ثلاثة عناصر أساسية: معالجة أخلاقية، تضمن السلوك المتزن في عمليات الاستثمار وعدم تجاوز القيم العقائدية التي يؤمن بها المسلم ويلتزم بأحكامها وقواعدها، ومعالجة فنية مصرفية تحدد أطر وصيغ التمويل والاستثمار بما لا يخرج عن دائرة مبدأ الحلال والحرام، ومعالجة رقابية تضمن عدم انحراف الأنشطة الاقتصادية والاستثمارية عن القواعد الشرعية، بما يحقق رعاية الدولة لمجمل تلك الأنشطة توجيهاً وتخطيطاً وتنظيماً.

5. المحور الثاني: التمويل الإسلامي في مقابل التمويل التقليدي

نوقشت في هذا المحور ورقتان بحثيتان إستهدفتا تبيان أثر كل من التمويل التقليدي والإسلامي في الأزمات المالية. كانت الورقة الأولى بعنوان: "الأسواق المالية والأزمات المالية والاقتصادية من منظور إسلامي"، هدفت إلى بيان أن النظام الإسلامي قادر على تقديم إطار متكامل لعمل الأسواق المالية، بما يضمن انتفاء أسباب الأزمات المالية والاقتصادية، وبالتالي تجنبها الوقوع في برائث تلك الأزمات من جهة وتعظيم رفاة المجتمع من جهة أخرى.

تتمثل أهم نتائج هذه الورقة في أن كفاءة الأسواق المالية التقليدية هي كفاءة منقوصة، حيث لا تحقق العدالة بين أطراف التبادل، وتؤدي إلى اتخاذ البعض قرارات غير سليمة نتيجة قيام بعض المتعاملين بالتلاعب في أسعار المنتجات المالية وعدم المساواة بين المتعاملين في المعلومات المتوفرة. بينت الورقة أن التعامل في الربا يعد عاملاً مدعماً لفشل السوق المالية، كما بينت أن اكتمال السوق المالي الإسلامي وتوافر مبادئ الرشادة والكفاءة الإسلامية كفيل بتجنب الأسواق المالية الفشل والوقوع في الأزمات المالية والاقتصادية، أوصى كاتب الورقة بضرورة العمل الجاد لتذليل التحديات أمام اكتمال السوق المالي الإسلامي، من أجل توفير المناخ العام المناسب لعمل الأسواق المالية وفقاً للشرعية الإسلامية.

أما الورقة الثانية تحت هذا المحور، فقد كانت تحت عنوان: "السوق الإسلامي المالي صمام أمان لأزمات المستقبل". عرضت الورقة مفهوم السوق المالي بالمفهوم التقليدي، والادوات التي يستخدمها السوق المالي لتحقيق الأهداف المرجوة منه، وتناولت أنواع وأهمية السوق المالي الإسلامي. وتوصلت إلى أن هناك ضوابط خاصة للأسواق المالية الإسلامية تتمثل بالالتزام بالضوابط الشرعية الإسلامية. ثم عرضت نشأة وتنظيم العقود المستقبلية وأسواقها وأنواع عقود الاختيار وهي وسائل لا تتعامل بها الأسواق المالية الإسلامية، لذلك كان هناك عدد من السلبات المترتبة على الأسواق المالية التقليدية، فعرضت الورقة بالمقابل التكيف الفقهي الإسلامي للأسواق المالية ولعقود الاختيار والبدائل الشرعية للخيارات، والبدائل المقترحة القابلة للتطبيق، والتي تصلح لأداء المقصود من وظيفة السوق المالي الإسلامي.

بينت الورقة كيف لسوق مالي إسلامي توفير صمام أمان لأزمات المستقبل المالية وكيفية معالجتها من خلال الاستثمار في الأوراق المالية الإسلامية والمشتقات الإسلامية. وتناولت الورقة التطبيقات والتجارب العملية للأسواق المالية الإسلامية وكيفية الارتقاء بالأسواق المالية في الدول الإسلامية في إطار التوجيهات الشرعية.

ولكن الورقة لم تقم باستعراض تجارب ناجحة تفيد بعدم تأثر المؤسسات الإسلامية بالأزمات المالية العالمية.

6. المحور الثالث : معدل الفائدة وبدائله في الاقتصاد الإسلامي

كانت الورقة البحثية الأولى تحت هذا المحور بعنوان: ” بدائل معدل الفائدة في الاقتصاد الإسلامي وأثرها في إدارة الأزمة الاقتصادية العالمية ”. بينت الورقة أن الفارق الجوهرى بين المصارف الربوية وتلك الإسلامية يتمثل بوجود الصيغ من حيث عددها وصورها، في حين توجد صيغة يتيمة واحدة في المصارف الربوية تستخدم من خلالها مواردها المالية في عملية الاستثمار، وذلك عبر القروض التي تفرضها للمتعاملين معها مقابل الفائدة، توجد بالمقابل عدة صيغ متاحة للمصارف الاستثمارية تستخدم من خلالها مواردها المالية، وهي بمجموعها صيغ استثمارية تمثل عائداً لها، والذي قد يكون ربحاً أو (خسارة) أو أجره أو حصة من الإنتاج.

ويعتقد كاتب الورقة بأن هذا التنوع في صور وأشكال استخدام الموارد المالية في المصارف الإسلامية يعطيها قدرة أكبر على إدارة الأزمات الاقتصادية. إلا أن الورقة لم توضح بالأرقام كيف أمكن تجنب بعض المصارف الإسلامية الآثار السلبية الناجمة عن الأزمة الأخيرة.

أما الورقة الثانية في هذا المحور، فقد كانت تحت عنوان: ” دور المصارف الإسلامية في التنمية الاقتصادية: رؤية مستقبلية“. إستهدفت هذه الورقة التنبؤ بالتغيرات المحتملة في هيكلية واداء الصناعة المصرفية خلال السنوات القادمة وتوقع السياسات المنظمة التي ستؤثر في هذه الصناعة. تناولت الدراسة الصورة المستقبلية للصيرفة الإسلامية، ولكنها أخفقت في كيفية زيادة قدرتها على المشاركة الفاعلة في التنمية الاقتصادية.

7. المحور الرابع : تجارب دولية ومؤسسية في مواجهة الأزمة من وجهة نظر إسلامية

كانت الورقة الأولى تحت هذا المحور تحت عنوان: ” دور المصارف الإسلامية في الحد من تداعيات الأزمة المالية العالمية (دليل المصارف الإسلامية الأردنية)“ وهدفت الورقة إلى إلقاء الضوء على أهمية التمويل الإسلامي وأثره على الأزمة المالية العالمية من حيث الأسباب الرئيسية للأزمة وتأثيرها على إقتصادات الدول العربية وأهمية التمويل الإسلامي في الحد من تداعيات هذه الأزمة.

تؤكد الورقة على أن التعامل بالمشتقات المالية والمتمثلة بأسواق العقود الآجلة وأسواق العقود المستقبلية وأسواق الخيارات المالية وعقود المبادلات كانت أهم الأسباب الرئيسية لهذه الأزمة، إضافة إلى الإفراط بنظام البطاقات الائتمانية من جهة وانخفاض أسعار الفائدة من جهة أخرى، الأمر الذي ترتب عليه زيادة القروض الممنوحة للمستثمرين وخاصة في ما يتعلق بالقروض العقارية التي زادت من ظاهرة ما يعرف بالتوريق، وهو ما أوجد محفظة كبيرة ومتنوعة من أصول عالية المخاطرة لدى البنوك من الرهون العقارية.

توصلت الورقة إلى نتيجة مفادها أن البديل الإسلامي يعتبر أحد البدائل الأساسية لمعالجة هذه الأزمة كون البنوك الإسلامية تعمل ضمن منظومة تتسم بقواعد وضوابط معينة تعمل على منع التعامل بالمشتقات المالية والحد من الديون وتوجيهها وجهة إسلامية تتسم بالقيم والأخلاق والأمان والصدقية.

وكانت الورقة الثانية في هذا المحور تحت عنوان: "الأزمة المالية العالمية، أسبابها وسبل معالجتها من منظور إسلامي". بحثت هذه الورقة الأسباب الحقيقية للأزمة من منظور إسلامي وتداعياتها الاقتصادية، وحاولت طرح البديل الإسلامي للحد من هذه التداعيات والسبل الكفيلة لمعالجتها، كون المصارف الإسلامية تعمل ضمن قواعد الأمن والأمان والاستقرار وتقليل المخاطر، لأنها تقوم على منظومة من القيم والمثل والأخلاق مثل الأمانة والمصداقية والشفافية والتعاون والتكامل. ولكن الورقة لم تعرض مدى أهمية هذه المعطيات في الحد من آثار الأزمة الاقتصادية العالمية على المصارف والمؤسسات الإسلامية.

كما نوقشت ورقة ثالثة في هذا المحور تحت عنوان: "السياسة النقدية في الإطار الإسلامي (التجربة السودانية)". تلخص الورقة أهداف السياسة النقدية في الإطار الإسلامي لخلق الاستقرار المالي والاقتصادي وتحقيق النمو والرفاهية والعمالة الكاملة وتحسين عدالة توزيع الثروة.

تشير الورقة إلى الآليات والوسائل المتاحة للبنك المركزي لإدارة السياسة النقدية في إطار النظام المصرفي الإسلامي، فهناك آليات التدخل المباشر مثل السقوف التمويلية (الائتمانية) والتوجيهات المباشرة لتوزيع التمويل المصرفي بين القطاعات والحث الأدبي، إضافة إلى الآليات غير المباشرة، وهي هوامش المربحات، ونصيب العميل في عقود المشاركة، وهوامش الإدارة في عقود المضاربة، ونسبة الاحتياطي النقدي القانوني، وعمليات مبادلة النقد الأجنبي، ونوافذ البنك المركزي للتمويل، وعمليات السوق المفتوحة (بيع وشراء شهادات مشاركة البنك المركزي (شمم) وشهادات مشاركة الحكومة (شهامه)). علماً بأن هذه الآليات الأخيرة، خلاصة لمجهودات بنك

السودان المركزي في بحثه المستمر عن آليات غير مباشرة تتفق مع الأسس الشرعية لتنفيذ السياسة النقدية وإدارة السيولة، وتخفيض التكلفة الاقتصادية والإدارية للوسائل المباشرة.

ومن خلال التجربة السودانية، تبين الورقة نجاح أغلب الآليات غير المباشرة للسياسة النقدية وإدارة السيولة التي استخدمت، وأنها توفر للبنك المركزي بديلاً معقولاً للآليات التقليدية القائمة على سعر الفائدة للتدخل من خلال عمليات السوق المفتوحة. إضافة إلى أن باب تطوير هذه الآليات لا زال مفتوحاً لمواكبة المستجدات في إطار السياسات الاقتصادية الكلية.

6. خاتمة

أدى النقاش المتبادل والمستفيض إلى تعميق المعرفة والاستفادة المتبادلة من الخيارات للباحثين والحضور الذين اجتمعوا في هذه المظاهرة العلمية لتبادل الأداء حول آفاق طول الأزمة المالية العالمية الراهنة وفق المنظور التقليدي وكذلك من منظور النظام الإسلامي. تمخضت النقاشات والمداخلات عن عدد من التوصيات تتعلق في مجملها:

أولاً: التوصيات العامة

تمخضت المناقشات عن ضرورة التركيز في الإنفاق العام على مشاريع التنمية الحقيقية ومشاريع البنية التحتية التي تصاحب أهداف التنمية المتوازنة، وكذلك ضرورة العمل للحد النسبي من التبعية الاقتصادية للعالم الرأسمالي وإنشاء أسواق إقليمية متكاملة تعزز الإنتاج الحقيقي للدول النامية. كما طالب الحضور بضبط قدرة المصارف بمختلف أنواعها للسعي نحو إيجاد آليات الائتمان وفق ضوابط البنوك المركزية واتفاقيات بازل.

وكذلك فقد أكد الحضور على الحذر الشديد في التعامل بالمشتقات المالية، والحذر الشديد لدى المصارف من تقديم قروض ذات مخاطر عالية وسجل إئتماني ضعيف للمقترضين. كما أوصى المؤتمر بضرورة التدخل الحكومي في تنظيم الأسواق عموماً والأسواق المالية على وجه الخصوص، لما للتححر غير المدروس من القوانين من مخاطر ونتائج سلبية على حركة الأسواق المالية، وإعادة النظر في التعامل مع مؤسسات ووكالات التصنيف العالمية المتخصصة بالتعاملات المالية.

ثانياً: التوصيات في مجال النظام الإسلامي

أوصى المؤتمر بالإجماع على ضرورة تنوع القطاع المصرفي الإسلامي للصيغ الاستثمارية التي يتعامل بها، وعدم الاقتصار على المراجعة، وضرورة التحول للصيغ الأخرى مثل الاستصناع والمزارعة

وغيرها، وعلى ضرورة قيام البنك الإسلامي للتنمية بوضع مؤشر مثقل نوعي للأرباح يتوافق مع أحكام الشرع، ويكون المؤشر حركياً تتم مراجعته بشكل دوري، كلما اقتضت الظروف الاقتصادية العالمية ذلك، وهو ما يقدم للمصارف الإسلامية مؤشراً استرشادياً للأرباح بعيداً عن أسعار الفائدة السائدة.

كما أوصى المؤتمر بإيجاد مرجعية تعمل على إيجاد حلول شاملة للمشاكل الناجمة عن تعدد الفتاوي بين هيئات الفتاوي في صناعة الصيرفة الإسلامية، وعلى ضرورة التزام المؤسسات المالية الإسلامية بالتنمية الاجتماعية والاقتصادية، من خلال استخدام أموال الزكاة وأموال الوقف لتحقيق أهداف شرعية، وعدم اقتنار أهدافها لتحقيق أكبر ربح ممكن. كذلك فقد أكد المؤتمر على ضرورة تعاون المؤسسات المالية الإسلامية مع البنوك المركزية في رسم السياسة النقدية، والتنسيق بين مفاهيم عرض النقود من جهة ومفاهيم عرض السلع والخدمات الحقيقية من جهة أخرى، وذلك بهدف التحكم في الأسعار ومنع التضخم، وبالتركيز على إيجاد منتجات مالية جديدة، بهدف توسيع مجالات الاستثمار الحقيقي وإيجاد أسواق إقتصادية مالية جديدة حقيقية وغير تقليدية.

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مراجعة: علي عبدالقادر علي*

أولاً: مقدمة وخلفية

يقع هذا الكتاب في 280 صفحة بما في ذلك التقديم (7 صفحات مرقمة بالأعداد الرومانية الصغيرة ص 9-15)، والهوامش (ص 213-234)، والمرجع (ص 234-257)، والفهرس (ص 259 - 273)؛ واحتوى على عشرة فصول: "في مدح الاختلاف" (ص 1-16)؛ و "نظرية اليد الخفية" (ص 16-23)؛ و "حدود المذهب التقليدي" (ص 24-54)؛ و "الاقتصاد طبقاً للقانون" (ص 55-75)؛ و "الأسواق والاضطهاد" (ص 77-95)؛ و "التركيب الكيميائي للمجموعات" (ص 96 - 129)؛ و "التعاقد والإكراه والتدخل" (ص 130 - 156)؛ و "الفقر وعدم المساواة والعلوثة" (ص 157 - 179)؛ و "العلوثة وتراجع الديمقراطية" (ص 180-192)؛ و "ماذا يمكن عمله؟" (ص 193 - 212).

في تقديمه للكتاب، وبعد الإشادة بمقترح السوق التنافسي الحر كإنجاز فكري رائع، يلاحظ المؤلف أن "السوق الحرّ لا يوجد، و لا يتوقع أن يتواجد، في واقع الحال" في كل العالم؛ وأن تفشي سوء استغلال فكرة السوق الحرّ قد ترتب عليه أضرار بليغة في العالم خصوصاً فيما يتعلق بصياغة السياسات، والترويج للعلوثة والتعامل مع اختلاف وجهات النظر. ويوضح المؤلف أن تأليف الكتاب قد جاء لإعطاء شكل فني للأصوات المعارضة للأفكار الاقتصادية المهيمنة في العالم دون أن تنقيد صياغة النص بالقيود المهنية للنظرية الاقتصادية (بمعنى الصياغة الرياضية

* وكيل المعهد العربي للتخطيط.

للنتائج)، كما يوضح أن الكتاب، في مجمله، هو عبارة عن نقد لعلم الاقتصاد المهيمن، ويروج لمنظور يهتم بالتحليل الموضوعي للمجتمع والاقتصاد. وفي هذا الصدد تحتل فكرة النظر للاقتصاد على أنه جزء لا يتجزأ من المجتمع وقواه السياسية، مكاناً محورياً. ويتطلب تبني مثل هذا المنظور الفكاه من أسر المنهجية المتبعة التي تركز، في التحليل، على سلوك الأفراد الانانيين فقط، مما يتطلب بدوره، وفي الحد الأدنى، التعامل مع الأعراف المجتمعية والهويات المختلفة، وكيفية تأثيرها في الاقتصاد، وتأثيرها به.

ثانياً: أسطورة، أو خرافة، آدم سميث

في الفصل الأول يلاحظ المؤلف أن هنالك رأي شائع يتعامل مع النظام الاقتصادي السائد في العالم الآن، وهو نظام يعتمد على فكرة تعظيم المنافع للأفراد وسيادة آلية السوق في تخصيص الموارد، بمعنى النظام الرأسمالي، على أنه النظام الوحيد القابل للتطبيق. ويستند هذا الرأي الشائع على ما توصل إليه آدم سميث في كتابه الشهير "ثروة الأمم" الذي طُبع عام 1776 من أن النظام الاقتصادي الذي نشأه في العالم لا يحتاج إلى تنسيق مركزي وأن من شأن سلوك كل فرد لتعظيم مصلحته الخاصة في الإنتاج والاستهلاك والتوزيع، دون اعتبار لمصالح الآخرين الذين يعيشون معه في المجتمع، أن يؤدي إلى تحقيق سعادة المجتمع ككل دون أن تكون هذه السعادة المجتمعية هدفاً في حد ذاتها مثل هذا السلوك الفردي الأناني. هذا وقد أصبحت العبارة الشهيرة، التي ما فتأت الأدبيات المختلفة ترددها لمدى قرنين من الزمان تقريباً "أنه لسنا مدينين لكرم اللحام (الجزار)، أو صانع الجعة، أو الخباز، للحصول على غذائنا، وإنما من نظرة كل منهم لمصلحته الشخصية".

ولاحظ المؤلف أن فكرة أن آلية السوق تعمل كاليد الخفية، على عظمها، قد ظلت على مدى قرنين من الزمان كتخمين عظيم حتى أمكن برهانها بأحدث المنهجيات الرياضية في النصف الأول من القرن العشرين. خلال هذه الفترة الطويلة، ومثلها في ذلك مثل كل الأفكار العظيمة، تم استغلال الفكرة بواسطة العديد من الناس لخدمة أغراضهم الخاصة وتحوّلت على أيديهم إلى عقيدة جامدة أو ما سماها المؤلف "أسطورة أو خرافة، سميث". وأوضح المؤلف أن تسمية "الأسطورة" أو "الخرافة" لا تعني بما كتبه سميث وإنما تعني بما آلت إليه كتاباته من تفسير وترجمة على المستوى العام والشائع. وعندما تم توفير برهان نظري، تحت قيود فنية، لأطروحة "اليد الخفية" تعامل معظم الاقتصاديين المهنيين مع البرهان على أنه إثبات لمعتقداتهم، وحتى في يومنا هذا يساوي بعض هؤلاء بين الأطروحة التحليلية وبين المقترح القيمي القائل بأن يترك الأفراد أحراراً لتعظيم مصلحتهم دون تدخل أو قيود.

وبعد ينتقل المؤلف في الفصل الثاني إلى نقاش فني لما أسماه بنظرية اليد الخفية وهو نقاش تطلب استعراضاً لمفاهيم اقتصادية فنية كأمثلية باريتو وما يقابلها من فهم للكفاءة الاقتصادية، وكالاقتصاد التنافسي وحالة توازنه.

ودون الدخول في تفاصيل فنية، يمكن الإطلاع عليها في الكتب المدرسية لعلم الاقتصاد ، يكفي ملاحظة تعريف المؤلف لأمثلية باريتو : ”فيما بين مجموعة من الحالات المجتمعية، يمكن تعريف حالة منها بأنها مثلى من وجهة نظر باريتو إذا لم توجد حالة مجتمعية أخرى“ يتمتع فيها فرد واحد من الأفراد برفاهية أعلى ، بينما يتمتع بقية الأفراد بنفس مستوى الرفاهية. وفي النظرية الاقتصادية الحديثة ينظر إلى حالة أمثلية باريتو على أنها تصف كفاءة الاقتصاد . كذلك الحال دون الدخول في تفاصيل فنية يمكن تعريف الاقتصاد التنافسي بأنه ذلك النظام الاقتصادي الذي لا يستطيع في إطاره أن يؤثر فرد واحد، من خلال سلوكه الفردي ، على الأسعار السائدة في السوق ، بمعنى أن كل فرد أو متعامل في السوق يُعد صغير الوزن لمثل هذا التأثير . ويُعبر عن مثل هذا التعريف أن كل متعامل في مثل هذا الاقتصاد يسلك باعتبار أن الأسعار السائدة معطاة له . وفي إطار الاقتصاد التنافسي، فإن قائمة للأسعار ، سعر واحد لكل سلعة، يترتب عليها تساوي إجمالي الطلب على ، مع إجمالي العرض من ، كل سلعة تمثل حالة لتوازن الاقتصاد بمعنى أنه ليس هنالك ما يستدعي تغيير الأسعار انخفاضاً أو ارتفاعاً .

على أساس هذا الفهم تم صياغة نظرية اليد الخفية، وهي ما يقابل ”النظرية الأساسية الأولى في اقتصاديات الرفاه“، على النحو التالي : ”إذا كان لدينا اقتصاد تنافسي ، حيث يقوم كل الأفراد بالاختيار الحر حسب متطلبات مصالحهم الشخصية الراشدة ، وتحت بعض الشروط الفنية، فإن حالة التوازن التي سيحققها الاقتصاد ستكون مثلى كما في تعريف أمثلية باريتو“.

وبعد ، يلاحظ المؤلف كيف أن هذه النظرية قد تم عدم فهمها وسوء استخدامها في عالم صياغة السياسات والانتقال بها من عالم النظرية إلى أرض الواقع من وجهة نظر التمسك بالمعتقدات وليس لأنها تمت لهذا الواقع بصلة .

وبعد استعراض أهم الانتقادات الفنية التي وُجّهت للنظرية ينتقل المؤلف في الفصل الثالث إلى نقاش القصور المتأصل في فهم وتفسير النظرية . فعلى سبيل المثال ، عادةً ما يلجأ المحافظون ، ومن لف لفهم من المبشرين بحرية الأسواق ، إلى تفسير أن نظرية اليد الخفية ينطوي عليها مقترح الحرية الفردية . مثل هذا الادعاء يمكن استنباطه من نظرية المستهلك الذي له مطلق الحرية في اختيار مجموعات السلع المتاحة فقط في حدود دخله الذي يحصل عليه . ولكن تمنع حالة أن تكون

اختيارات الأفراد معرفة على كل أنماط الاختيارات المتاحة للفرد بما في ذلك اختيارات السلع في حدود الدخل. في مثل هذه الحالة الموسعة للاختيارات التي يقوم بها الأفراد يمكن إعادة صياغة نظرية اليد الخفية كما يلي :

”إذا كان لدينا اقتصاد تنافسي، حيث حرية الأفراد في الاختيار بين كل بدائل الأفعال المتاحة لهم تقتصر على البدائل المتاحة لهم في مجال الاستهلاك كما يحدده دخلهم، وحسب قيود فنية كما في الصياغة الأولى للنظرية، فإن حالة التوازن التي يُحَقِّقها الاقتصاد ستكون مثلى حسب تعريف باريتو“.

تحت مثل هذه الصياغة تحمل النظرية تفسيراً نقيضاً لذلك الذي تم استنباطه من الصياغة الأولى إذ أنها تعني أهمية فرض القيود على الحرية الفردية لتقتصر فقط على مجال الاستهلاك من بين كل الأفعال التي يقوم بها الأفراد. وتعني مثل هذه الصياغة البديلة، والفهم المترتب عليها، أن الرأي المحوري السائد في علم الاقتصاد بأن السوق التنافسي الحر هو الخيار الأمثل الذي ينبغي التطلع إليه وتحقيقه في أرض الواقع يفتقر إلى السند النظري وذلك على عكس ما يُشاع في المجال العام.

على أساس هذا الفهم يوضح المؤلف أن الخطوة الأولى والأساسية في توسيع نطاق الاقتصاد كعلم اجتماعي هي الإدراك أن مجموعة خيارات الأفعال المتاحة للأفراد والمنشآت الإنتاجية تتسع لأكثر مما صوّره علم الاقتصاد السائد. بالإضافة إلى ذلك، هنالك حاجة لمراجعة الافتراضيات المتعلقة بتفضيلات الناس وكيفية تحديدها والتعبير عنها عن طريق بديهييات ربما تجد القبول العام وافترض أن هذه التفضيلات معطاة وأنها لا تتغير مع تغير الظروف.

من جانب آخر، يلاحظ المؤلف أن النموذج الاقتصادي النمطي يعمل في إطار استبعاد كل ما يتعلق بالأعراف المجتمعية والثقافة والمعتقدات الجماعية. وعلى الرغم من عدم إنكار وجود مثل هذه العوامل في الكتابات الاقتصادية إلا أنها تعامل كأن لم يكن لها تأثير أصيل في عمل الاقتصاد. ويحاجج المؤلف بأن الأعراف المجتمعية والثقافة، في كثير من الأحيان، تلعب أدواراً أهم من عدد كبير من المتغيرات الاقتصادية المتعارف عليها في تحديد كفاءة عمل الاقتصادات وفي كيفية تحقيق النمو الاقتصادي السريع.

ويُناقش المؤلف قضية توائم الحوافز الفردية مع المصالح المجتمعية ويلاحظ أنه على عكس مقولات من يعتمدون على خرافة اليد الخفية وفي كثير من الحالات، تفشل آلية السوق من تحقيق

مثل هذه الموائمة. ويتطلب هذا الأمر الصياغة القصدية لكيفية مكافأة الأفراد ومعاقتهم لمختلف أنماط السلوك لضمان مثل هذه الموائمة . هذا وقد تطورت أدبيات أنيقة في هذا المجال خصوصاً فيما يتعلق بأنظمة المناقصات واستراتيجيات التسعير وسلوك المنظمات .

هذا ويقدم المؤلف عدداً من الملاحظات حول ما سُمي ” بالمنهجية الفردانية“ المتبعة في الاقتصاد، وهي مذهب، أو قاعدة منهجية، في العلوم الاجتماعية تقول بأنه لا بد لأي تفسير مناسب لكل الظواهر الاجتماعية من الارتكاز إلى محفزات السلوك الفردي . و” المنهجية الفردانية“ تقع على النقيض من قاعدة ” المنهجية الكلية“ والتي تتطلب البدء من القوانين التي تحكم النظام ككل لاستنباط سلوك مكوناته الفردية . ويعتقد المؤلف أنه في مجال الاقتصاد هنالك حاجة للنظر إلى سلوك الأفراد المرتكز على احتياجات التفاعل الاقتصادي في المجتمع ومن ثمّ حاجة لافتراض أن للأفراد ”نزوعاً نحو الصالح العام“، خصوصاً فيما يتعلق بصالح الجماعات الاجتماعية وأن مثل هذا التوجه من شأنه أن يقرب نظريات علم الاقتصاد إلى الواقع المعاش .

ثالثاً : بديهيات بديلة

تتناول الفصول 4-7 قضايا نظرية حول كيف تؤدي مراجعة البديهيات التقليدية المستخدمة في علم الاقتصاد إلى نظرة مغايرة ، وإلى فهم أعمق ، لكيفية عمل الاقتصاد وإلى الدور الذي يلعبه التدخل الحكومي في مجال السياسات . بالإضافة إلى ذلك ، توضح هذه الفصول الأربعة الحاجة للنظرية الاقتصادية من الترحيح من إيمانها الذي لا يتطرق إليه الشك في ” خرافة اليد الخفية“ و” المنهجية الفردانية“. وتشتمل القضايا التي تناولتها هذه الفصول على دور القانون في الاقتصاد، وتأثير الأسواق في مختلف مظاهر التمييز في المجتمع، وما يترتب على الهويات الاجتماعية من تخصيص للموارد، وقضايا التعاقد. وفيما يلي إضاءات سريعة حول هذه القضايا:

القانون والاقتصاد : يلاحظ المؤلف أن القانون يمثل أهم الأدوات التي تستخدمها الحكومات في التأثير على السياسة الاقتصادية، أو بمعنى أعم التدخلات الحكومية المستندة على القانون . وتعني هذه الملاحظة أن الفهم الصحيح لدور القانون في الاقتصاد يُعدّ حرجاً في صياغة السياسات الملائمة وفي توجيه الاقتصاد ليحقق مختلف النجاحات . كذلك الحال فيما يتعلق بالفهم الصحيح للتفاعل بين القانون والتدخل الحكومي من خلال السياسات .

في قلب التخصص الفرعي ”القانون والاقتصاد“ يتمثل السؤال المحوري في كيف يؤثر القانون على النتائج الاقتصادية؟ وتتمثل الإجابة على السؤال في ملاحظة أن ”القانون“ ، مهما

كان موضوعه، يعدل العوائد التي يتوقعها الأفراد من مختلف النشاطات الاقتصادية، ومن ثم يؤثر على الاختيارات التي يُقبل عليها الأفراد، ومن ثم يؤثر على النتائج الاقتصادية التي تتحقق في الاقتصاد. هذا المنظور للقانون ودوره في الاقتصاد يُسمى "النظرية القانونية الصارمة". ويحاجج المؤلف أن هذا المنظور يُعاني من القصور في جانب مهم منه ويوضح ذلك من خلال أمثلة من نظرية المباريات ومفهوم توازن ناش المشهور في هذه النظرية. ويقترح المؤلف منظور "القانون كبؤرة للسلوك" بمعنى أن القانون يؤثر على سلوك الأفراد بإنتاجه لبؤر جديدة لمثل هذا السلوك من خلال تغييره للمعتقدات حول ما سيفعله الآخرون في المجتمع.

الأسواق والتمييز (التفرقة): في الفصل الخامس يلاحظ المؤلف أن هنالك مقولة يروج لها طليعة من الاقتصاديين المحافظين أن النظام الاقتصادي التنافسي الحر (الرأسمالية الطليقة) من شأنها الإقلال من التمييز في مختلف المجالات "بما في ذلك التفرقة العنصرية" وان كان ذلك بالتدرج. ويشرح المؤلف كيف تبلورت هذه المقولة بالاستناد على نظرية الاقتصاد التنافسي، ويلاحظ تطور أدبيات متعمقة مغايرة في هذا المجال توصي بأهمية التدخل الحكومي في الأسواق للحد من ظاهرة التمييز، كما في أسواق العمل.

هذا ويطور المؤلف نموذج نظري ليوضح أن آلية السوق لا تتصف بالضرورة بخاصية تعويض العاملين حسب إنتاجيتهم (الأجر الأعلى لأولئك ذوي الإنتاجية الأعلى)، وأنه يمكن للسوق الحر تعويض الفرد حسب انتمائه العرقي أو الديني، بمعنى التعويض حسب الهوية دون اعتبار للعوامل المتعلقة بالإنتاجية. مثل هذا التمييز تحت سوق تنافسي حر يتطلب تدخلاً قسدياً بواسطة الحكومة أو بفعل جماعي، لتصحيح عدم الإنصاف المترتب على عمل آلية السوق.

الهويات الاجتماعية: بملاحظة أن الشعور بالهوية يمكن أن يؤثر على الحياة الاقتصادية والاجتماعية والسياسية يقترح المؤلف في الفصل السادس خطوات ابتدائية لتطوير نماذج تحليلية تأخذ في الاعتبار انتماءات الأفراد إلى جماعات اجتماعية مكونة على أساس الهوية. ويقترح المؤلف في هذا الصدد افتراضين تأسيسيين: (أ) أن غريزة التعاون، أو الدافع للصالح العام، هي غريزة متأصلة عند بني الإنسان؛ و (ب) أن التعاون، أو العمل للصالح العام، ينمو ويتزعرع كلما تم تبادله (بمعنى المعاملة بالمثل) بين الأفراد والمجموعات داخل المجتمع.

وفيما يتعلق بالافتراض (أ) يوضح المؤلف الحاجة إلى التفرقة بين اختيارات الفرد ورفاهية الفرد، وهي تفرقة لا يتم استخدامها (بل يتم المساواة بين المفهومين) في علم الاقتصاد التقليدي تحت افتراض أنانية الأفراد (بمعنى عدم الإقرار بالشعور نحو الآخر). في ظل هذه

التفرقة بين المفهومين يمكن النظر إلى اختيارات الأفراد على أنها تستند على مصالحهم الشخصية بعد إدخال اعتبار مراعاتهم لمصالح الآخرين (على سبيل المثال ، شعور الإيثار). وفيما يختص بالإيثار يلاحظ المؤلف أن هذه الخاصية عادةً ما تُعدّ إيجابية ، خصوصاً في إطار ذوي القربى ، بمعنى تؤدي إلى زيادة الثروة وتعميق حسن النوايا ، إلا أنها يمكن أن تكون أداة فعالة للاضطهاد والاستغلال للجماعات الأخرى ، ومن ثمّ تغرز النزاع والشقاق والعنف في المجتمعات .

في إطار مثل هذه الافتراضات حول تفضيلات الأفراد وباستخدام نماذج مختلفة من نظرية المباريات (كنموذج معضلة السجين ذائع الصيت) ، يوضح المؤلف مضامين التوسع خارج الإطار التحليلي للاقتصاد النيوكلاسيكي فيما يتعلق بفهم الواقع المشاهد وصياغة التدخلات الملائمة بواسطة الدولة .

التعاقد والإكراه والتدخل : في الفصل السابع يلاحظ المؤلف أن من القواعد المقبولة عموماً في الاقتصاد أنه إذا اتفق طرفان بالغان وكاملتي الأهلية أو أكثر ودون إكراه على عقد ، أو إتمام صفقة تبادل ، ليس له تبعات سلبية على أطراف أخرى ليست طرفاً فيه ، فإنه ليس من شأن الدول التدخل لإيقاف أو إلغاء مثل هذا العقد . وتُسمى قاعدة التعاقد هذه ”مبدأ حرية التعاقد“ ، وهي قاعدة لها صلة وثيقة بفكرة ”مبدأ باريتو“ وبفكرة أن الأسواق الحرة تحقق أمثلية باريتو ومن ثم بخرافة ”اليد الخفية“ .

ويُذكر في هذا الصدد أن مبدأ باريتو يُستمد من فكرة أن أي تغيير في حالة رفاه المجتمع تُعدّ تحسناً إذا ترتب على هذا التغيير تحسن رفاه أحد الأفراد في المجتمع دون تدهور رفاه أي من الأفراد في المجتمع . في إطار هذا الفهم يُعرف مبدأ باريتو بطريقة قيمة بان تحسن رفاه المجتمع مرغوب من الناحية الاجتماعية ومن ثم فإنه لا ينبغي للدولة ، أو أي جهة الأخرى ، لإحباطه أو توقيفه .

هذا وقد قام المؤلف باعتماد مبدأ باريتو ليوضح أنه لا يتطابق مع ، ولا يعنى بالضرورة ، ”مبدأ حرية التعاقد“ . ويهدف مثل هذا التحليل إلى الوصول إلى قواعد تُمكن من إهمال ”مبدأ حرية التعاقد“ في الحالات التي يتناقض فيها هذا المبدأ مع ”مبدأ باريتو“ . وباستخدام نظرية المباريات يطور المؤلف نموذجاً نظرياً ليبرهن على ما أسماه ”قاعدة الأعداد الكثيرة“ والتي تزعم أنه توجد هنالك حالات اجتماعية يكون فيها أي فعل من مجموعة أفعال (كالتبادل التجاري وتوقيع العقود) مبرراً من الناحية الأخلاقية ، بينما يكون فيها مجموعة الأفعال تحت الدراسة غير مقبولة اجتماعياً . ويعني ذلك أنه يمكن التفرقة ، من الناحية الأخلاقية ، بين فعل واحد ومجموعة من الأفعال . في مثل هذه الحالات يمكن إهمال ”مبدأ حرية التعاقد“ .

بالإضافة إلى الحالات التي تنطبق عليها "قاعدة الأعداد الكثيرة" يمكن إهمال "مبدأ حرية التعاقد"، ومن ثم تبرير تدخل الدولة في الأسواق، عندما تتصف الاقتصادات بتعدد نقاط التوازن التنافسي. فحسب "خرافة اليد الخفية" كل واحدة من هذه النقاط تتميز بأمثلية باريتو مما يعني أن أي منها ليس بأفضل من الثاني محكوماً عليه بأمثلية باريتو. ففي مثل هذه الحالة يستحيل الاعتراض على تدخل يمنع إحدى نقاط التوازن من التحقق والانتقال إلى نقطة توازن أخرى. هذا ويطبق المؤلف هذه الحجة على حالات في سوق العمل (عمالة الأطفال، والعمل في المناطق الحرة).

رابعاً: الفقر وعدم المساواة

في الفصل الثامن يلاحظ المؤلف أن "كفاءة وعدالة اقتصاد السوق يتشابكان بطريقة معقدة بطبيعة نظام الحكم (بالمعنى السياسي) وبالمؤسسات المتوفرة في المجتمع للفعل الجماعي"، وأن عدم الاستيعاب المتعمق لكيفية "التشابك المعقد" هذه قد ترتب عليه إهمال القضايا الحيوية المتعلقة بالسياسات وذلك على جانبي الجدال الدائر بين المروجين للاعتقاد باليد الخفية ومعارضهم.

وبملاحظة أن الجدال الدائر في هذا الصدد يُعنى بقضايا قيمية (بمعنى ماذا ينبغي أن يكون عليه) الحال يصرح المؤلف بموقفه في شكل بديهية تقول بأنه يعتبر عدم المساواة والفقر كظواهر مقبولة (سيئة، غير جيدة، مكروهة)، وأن الفقر ينبغي أن يحظى بأولوية اهتمامنا بينما يمكننا تحمل قدر من عدم المساواة حتى تتمكن من التحكم في ظاهرة الفقر والإقلال منها.

ويلاحظ في هذا الصدد أن خرافة اليد الخفية تقول بأن الأفراد في سلوكهم لتعظيم مصالحهم الشخصية يمكن أن يخلقوا مجتمعاً كفوفاً يخدم مصالحهم الجماعية، تحت شروط فنية ومفاهيمية. ولكن بفهم طبيعة الشروط الفنية والمفاهيمية اتضح أنه لكي يتمكن المجتمع من تحقيق الكفاءة، والعدالة والإنصاف، لا بد من وجود أنظمة حكم ملائمة (جهاز الدولة) ومؤسسات وأعراف مجتمعية، بما في ذلك القوانين التي من شأنها تيسير عمل آلية السوق بطريقة فعالة. وفي غياب أنظمة الحكم، والقوانين والمؤسسات والأعراف المجتمعية أو أي أشكال أخرى للفعل الجماعي، يمكن لآلية السوق أن تقود المجتمع لفوضى عارمة تنفث في إطارها ظواهر عدم العدالة والفقر لمستويات غير مطابقة.

ويستعرض المؤلف بطريقة مشوقة بعض مظاهر عدم المساواة في عالم اليوم ليخلص، استناداً على البديهية التي صرح بها، على أن "كمية" عدم المساواة هذه غير مقبولة مثلها في ذلك مثل ظاهرة انتشار الفقر، ومن ثم يطرح عدد من الأسئلة حول ماذا يمكن فعله.

وتوطئة للإجابة على أسئلته يزعم المؤلف أن أحد أسباب الارتفاع في درجة عدم المساواة داخل، وفيما بين، الدول حول العالم يرتبط بتسارع عملية "العولمة الاقتصادية" خلال نصف القرن الماضي في ظل ثبات وعدم تغير الترتيبات المؤسسية والسياسية على مستوى العالم. ويعرض المؤلف، من الناحية التحليلية، عدداً من النتائج السلبية التي ترتبت على العولمة المتوحشة خصوصاً فيما يتعلق بتهميش الناس: اتجاهات أسعار السلع والخدمات نحو الارتفاع في الدول النامية، وتطورات أجور العمال غير المتعلمين وغير الماهرين في مقابل تلك للعمالة الماهرة، وظاهرة انتقال الصناعات التحويلية من الدول المتقدمة للدول النامية، وتقلص مجال صياغة السياسات بواسطة الحكومات الوطنية، وصعوبة عملية استنفار الإيرادات الحكومية المحلية. وتمثل هذه الآثار التهميشية للناس، خصوصاً في الدول النامية، مأزق في مجال صياغة السياسات يترتب على عدم التصدي لها مخاطر كبيرة فيما يتعلق بالاستقرار السياسي حول العالم وانفجار بؤر للنزاع والحروب.

ويلاحظ المؤلف أنه على مستوى كل قطر على حدة هنالك مستوى من عدم المساواة يمكن احتمالها، بمعنى يمكن القبول به، في إطار السعي نحو الإقلال من الفقر كهدف محوري لصياغة السياسات. ويقترح في هذا الصدد اعتماد تطوير سياسة الإقلال من الفقر بالحكم على رفاه القطر على أساس متوسط دخل الفرد لشريحة أفقر عشرين في المائة من السكان عوضاً عن التركيز التقليدي على متوسط دخل الفرد في الاقتصاد ككل، وكما هو معروف يطلق على شريحة أفقر عشرين في المائة من السكان اسم "الخميس الأدنى" أو "الخميس الأفقر" وذلك حسب ترتيب للسكان من الأفقر إلى الأغنى. وبعد الدفاع عن مزايا التركيز على دخل الخميس الأفقر يستعرض المؤلف نموذجاً مبسطاً عن كيفية تطبيق هذا المبدأ على مستوى الأقطار والعالم ككل، وبعد ذلك يقترح المؤلف سياستين لهما علاقة بالعولمة هما: (أ) فيما يتعلق بتأثير العولمة على العمال في مختلف أنحاء العالم: إعطاء العمال نصيب في الدخل الذي تحققه الشركات؛ و (ب) فيما يتعلق بتنسيق سياسات الإقلال من الفقر بين الدول وعلى مستوى العالم: إنشاء مؤسسة دولية للقيام بذلك.

خامساً: العولمة وتراجع الديمقراطية

في الفصل التاسع يلاحظ المؤلف أنه في حين تسارع معدل عولمة اقتصادات العالم، إلا أن معدل ديمقراطية حكم العالم قد كان بطيئاً للغاية وذلك على الرغم من ازدياد عدد الدول التي تبنت مبادئ الحكم الديمقراطي. فعلى مستوى العالم ليس هنالك حكومة يتم انتخابها على أساس الصوت الواحد للفرد الواحد (كما تتطلب أبسط مبادئ الحكم الديمقراطي). من جانب

آخر، بانتشار وتعمق العولمة تتقوى ظاهرة عدم التماثل في تأثير الدول القوية والغنية على الدول الأخرى وشعوبها، على الرغم من أن هذه الدول الأخرى وشعوبها، لم تشترك في اختيار حكام الدول القوية والغنية.

وبسبب العولمة هنالك العديد من الأدوات الاقتصادية التي تستخدم بواسطة الدول القوية والغنية للتأثير على أحوال، ورفاهية، الدول الأخرى ومن أهمها تدفقات رؤوس الأموال عبر الحدود (والتي ترتب عليها أزمات اقتصادية كما حدث في أمريكا اللاتينية عام 1982، و آسيا عام 1997)، والتجارة الخارجية، والديون. وغياب حكومة عالمية، دع عنك حكومة عالمية منتخبة ديمقراطياً، يعني أن الاقتصاد المعلوم لا يتوفر على مؤسسات وأدوات للتحكم في عدم المساواة على مستوى العالم.

وغياب الديمقراطية على مستوى العالم يعطل تفعيل بعض التغييرات المطلوبة لزيادة كفاءة عمل الاقتصاد الدولي مثال العملة الدولية الموحدة، التي تحمي القطاعات الإنتاجية المختلفة من التأثيرات السالبة للأزمات الاقتصادية القطاعية، ولكنها تتطلب إنشاء بنك مركزي عالمي، يكون مسؤولاً أمام حكومة مركزية عالمية يتم انتخابها ديمقراطياً. وفي ظل غياب الديمقراطية على مستوى العالم المعلوم اقتصادياً ليس هنالك من سبيل سوى العمل على ديمقراطية المؤسسات الدولية الموجودة حالياً كصندوق النقد الدولي والبنك الدولي ومنظمة التجارة الدولية.

سادساً: مقترحات حول ماذا ينبغي فعله

في الفصل الختامي للكتاب يلاحظ المؤلف أن كتابه قد قام بمحاولة لتفسير، وليس لتغيير، الواقع الاجتماعي والاقتصادي للعالم الذي نعيش فيه، وأنه يختلف مع الرأي السائد في أوساط الاقتصاديين حول اعتقادهم بأن النظام الاقتصادي السائد (بمعنى النظام الرأسمالي) هو النظام الوحيد المتاح لاتباعه بواسطة الإنسانية. ويوضح المؤلف أن هنالك مؤشرات كافية تدل على إمكانية تطوير عالم أفضل وأكثر عدالة وأن هنالك شواهد وحجج نظرية تشجع على الاعتقاد بأن بني الإنسان قادرين على السلوك القسدي لتحقيق مصالح مجتمعية (حيث يقبلون على إتيان أفعال لسبب بسيط هو توقع إتيانهم بهذه الأفعال). وتدعم هذه التطورات الأمل في "مقدرتنا على خلق عالم يمكن أن يقوم فيه الأفراد بأداء أعمال يعلمون سلفاً أن عائدها سيكون من نصيب أولئك الأقل حظاً". وتحت مثل هذا الأمل فإن مقولة كارل ماركس الشهيرة "من كل حسب مقدرته كل حسب حاجته" لا ينبغي إهمالها كشعار سياسي أجوف.

ويقدم المؤلف أفكاراً ابتدائية حول المجالات التي يمكن أن تشهد تغييرات في اتجاه خلق عالم أفضل كالعمل على تعديلات جوهرية في أنظمة الميراث؛ والعمل على ابتداع ترتيبات ذكية فيما يتعلق بالتعاقدات طويلة المدى في عقود الإنتاج وتسجيل براءات الاختراع وضمن إعطاء العمال نصيب في الأرباح الحالية والمستقبلية لا تهددها "حقوق الملكية" التي تم التعاقد عليها؛ والعمل على إنشاء مؤسسة دولية تعنى بقضايا الفقر وعدم المساواة.

سابعاً : ملاحظات ختامية

لعله من المناسب ملاحظة أن استعراضنا لبعض أهم محتويات هذا الكتاب لم يف بما يذخر به من أفكار عميقة سيكون لها أثر هام في تطور علم الاقتصاد. وعلى هذا الأساس نوصي المهتمين بقضايا صياغة السياسات الاقتصادية والتنموية، خصوصاً في الدول النامية، بالإطلاع على كل ما جاء في هذا الكتاب من أفكار ومقترحات نظرية، والاستمتاع باللغة الرفيعة التي كُتبت بها .

هذا وسيلاحظ القارئ أن السؤال المحوري الذي تصدى له الكتاب يتعلق بمسألة تدخل الدولة، أو الفعل الجماعي، في شأن تخصيص الموارد بواسطة آلية السوق . وكما هو معروف فقد ظلت هذه المسألة تُشكّل هاجساً يقض مضاجع صناع القرار في الدول النامية منذ أربعينات وخمسينات القرن الماضي، بدأت تترك نفس الأثر بالنسبة لصناع القرار في الدول الصناعية المتقدمة منذ انفجار الأزمة المالية الدولية في عام 2008.

وفي دعوته لإرساء دعائم لعلم اقتصاد جديد طالب المؤلف بإعادة النظر، والتفكير، في الافتراضات الأساسية، والبيدهيات والمسلمات التي تتعلق بالسلوك الاقتصادي للأفراد في إطار المجتمعات؛ وإعادة النظر في المنهجية المهيمنة لتحليل الظواهر الاقتصادية، وفي النظام الاقتصادي العالمي السائد. وبالطبع، هذه قضايا سوف تأخذ وقتاً طويلاً للتصدي لها من الناحية النظرية.

هذا وسوف يلاحظ القارئ المدقق أن المؤلف، وحسب تخصصه الدقيق، قد أعلى من شأن نظرية المباريات في التصدي لمختلف القضايا الاقتصادية النظرية وذلك حسبما يتضح من القراءة المتأنية للفصول 4-7 من الكتاب. وكما هو معروف تعتمد هذه النظرية على تأثير الفاعلين الاقتصاديين بأفعال بعضهم البعض وهو افتراض يُعدّ أكثر واقعية من افتراض الأنانية في السلوك. ويوضح الكتاب في كثير من فصوله أن تأثير الفاعلين الاقتصاديين ببعضهم البعض يترتب عليه تعدد نقاط التوازن في الاقتصاد مما يُبرّر تدخل الدولة لنقل الاقتصاد من نقطة توازن إلى أخرى .

كذلك سوف يُلاحظ القارئ الحريص أن المؤلف، على الرغم من تطلعاته النظرية، ينطلق من الهم العام المتعلق باعتبار أن درجة عدم المساواة المشاهدة حول العالم ليست مقبولة من الناحية الأخلاقية وأن النظام الاقتصادي الدولي الذي يتمحور حول الرأسمالية الطليقة لا يُمثّل أحسن الأنظمة الاقتصادية التي ينبغي الاحتفاء بها وأنه يمكن ابتداع نظام جديد يكون مقبولاً من وجهة نظر الإنصاف والعدالة.

وأخيراً يجدر بنا تعريف القارئ بمؤلف الكتاب حتى يتمكن من مطالعة مساهماته الأخرى إذا رغب في ذلك:

يعمل بروفيسور باسو حالياً كالمستشار الرئيسي للحكومة الهندية بإعارة من جامعة كورنيل التي يعمل بها كأستاذ كرسي في الدراسات العالمية بشعبة الاقتصاد. حاز بروفيسور باسو على شهادتي الماجستير والدكتوراه في الاقتصاد من مدرسة لندن للاقتصاد وعلى شهادة البكالوريوس في الاقتصاد من جامعة دلهي. منذ منتصف سبعينات القرن الماضي نُشرت له ما يفوق المائة وأربعين ورقة في مختلف المجالات العالمية ذائعة الصيت، ومنذ بداية ثمانينات القرن الماضي صدر له 12 كتاب من تأليفه و 10 كُتب محررة (بعضها مشترك التحرير مع آخرين).

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Is Industrial Policy Relevant in the 21st Century?

Mehdi Shafaeddin*

This paper is concerned with the issue of whether "industrial policy" remains appropriate to bring about development in the 21st century. Among other things, the paper reviewed the various approaches to the formulation of industrial policies; indicated the contradictions, and double standards, in the laws of the WTO and GATT, and highlighted the lack of theory underlying trade liberalization. In view of its review of the evidence the paper proposed a general framework for the formulation of trade and industrial policies appropriate to country circumstances. It is suggested that industrial policies must be selective and predictable, and that they pay attention to the role of supplementing the non-price factors in the development of the agricultural sector; and noted that the aim of trade policy, as a component of industrial policy, should be to improve productivity rather than relying on the successive devaluation of the exchange rate, the selective use of foreign direct investment and the effective management of capital flows.

ملاءمة السياسة الصناعية في القرن الحادي والعشرين

مهدي شفاء الدين

ملخص

اهتمت هذه الورقة بقضية ما إذا كانت السياسة الصناعية ملائمة لإحداث التنمية في القرن الحادي والعشرين. وفرقت الورقة بين السياسات التجارية، التي تطال كل قطاعات الاقتصاد وتتنحصر في مجال تدفق السلع والخدمات، والسياسات الصناعية التي تعنى بكل السياسات، بما فيها السياسات التجارية، المتعلقة بتنمية قطاع الصناعة. استعرضت الورقة مختلف المقاربات لصياغة السياسات الصناعية، وبينت التناقضات والمعابير المزدوجة في قوانين منظمة التجارة العالمية وإلجات بالإضافة إلى قصور النظرية الكامنة خلف أطروحة تحرير التجارة. واقتُرحت الورقة إطاراً عاماً لصياغة سياسات تجارية وصناعية ملائمة لإحداث التنمية دون أن يكون المقترح وصفاً تصلح لكل زمان ومكان. اقترحت أن تكون السياسات الصناعية إنتقائية وقابلة للتنبؤ بها، وأن تولي اهتماماً للدور المكمل للعوامل غير السعرية في تنمية القطاع الزراعي، كما اقترحت أن تهدف السياسات التجارية، كأحد مكونات السياسات الصناعية، إلى الارتقاء بالإنتاجية عوضاً عن الإعتماد على التخفيض المتعاقب لسعر العملة الوطنية، وأن ترمي إلى الاستخدام الانتقائي للاستثمار الأجنبي المباشر وإلى الإدارة الفاعلة لتدفقات رأس المال.

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1. Introduction

The purpose of this paper is to examine whether industrial policy has any place in industrialization and economic development of developing countries in the new world economy. We will argue that the answer to this question depends on the development objective of the country and the role envisaged for international trade. If the role of international trade is to achieve the objective of the integration of developing countries into the world economy purely for the sake of integration, the industrial policy is irrelevant. By contrast, if development is the ultimate objective of their integration to the world economy what is irrelevant is the current dominant economic philosophy and the international rules which govern trade and development. Such rules facilitate globalization but they are not particularly conducive to industrialization and development of developing countries.

We have been witnessing two contradictory developments in the world economy and international policy during recent decades. On the one hand, the need for sophisticated trade and industrial policies has increased; on the other hand the economic philosophy has changed against government intervention in the economy. The need for industrial policy has increased because the international market has become increasingly more concentrated; global production, international trade and technology have become more and more dominated by TNCs; technological changes have accelerated and production has become more knowledge-intensive. The policy space of developing countries has, however, shrunk due to the dominant views of the orthodoxy. Such views have been reflected on the conditionalities, imposed on many developing countries by International Financial Institutions (IFIs) or bilateral donors and to a large extent on GATT/WTO rules. More recently, they have been propagated through "Washington Consensus". Meanwhile the across-the-board and universal trade liberalization implemented by developing countries during recent decades has failed after the failure of across-the-board import-substitution of the preceding decades. Such failures have put trade policy as well as trade diplomacy at the cross-roads.

The failures of the top-down approach to trade and industrial policies through which one size-for-all rules are drawn at the international level and imposed on developing countries raises a serious question: is not there a need for rethinking trade and industrial policies? After arguing for the relevance of industrial policy, we will try to present an alternative framework by taking a bottom-up approach in this study. In other words, we will present a relevant framework for what is required at the national level to catch-up in the process of industrialization and development and, on that basis,

argue briefly for changes in international rules to make them development oriented. To do so, we will first briefly refer to some introductory remarks on the characteristics of the international economy in the 21st century and their implications for industrialization of developing countries. In the second section, different views on industrial policy will be examined. The third section will be allocated to revealing contradictions in WTO on development. Subsequently, we will argue that the across-the-board and universal trade liberalization is not justified either on theoretical grounds or by historical evidence; by contrast, all successful early and late industrializers have gone through an infant industry phase. The contradictory views expressed by the World Bank on economic performance of MENA are reviewed briefly before presenting an alternative framework for trade and industrial policies. The final section is devoted to some remarks on the implication of the alternative framework for international trade rules.

Before proceeding further, let us mention the relations between industrial policy and trade policy. Although they are linked, trade policy embraces all sectors of the economy, limiting itself to the international flow of goods and services. In other words, trade policy is a tool of development strategy in general; industrial policies are concerned with all policies, including trade, related to industrial development. Hence, trade policy is only one aspect or instrument of industrialization and expansion of exports of manufactures.

2. Main Features of the World Economy; Implications for Industrialization

Globalization, increasing domination of TNCs in production and international trade and rapid technological changes are three main characteristics of the world economy which, inter alia, affect the prospects for developing countries' firms to enter into the world market and compete with the established international firms.

Globalization: Globalization implies the expansion of activities of global firms across frontiers through networking and product sharing particularly in the manufacturing sector. Global firms locate different stages of production of a specific product in different countries through their subsidiaries and affiliates. Therefore, components of a finished product may cross different frontiers before being assembled in a particular country and sold in different markets⁽¹⁾.

A global firm enjoys a number of advantages vis-à-vis a new comer firm of developing country. First, it has home-based advantages related to technology, experience, market information, marketing and distribution channels, firm-level

economies of scale etc. Second, it can benefit from networking, and collaboration with other firms. Networking takes place mainly with its own affiliates and allows obtaining cheaper sources of inputs, technology, intermediate products, distribution channels etc. (Best, 1990: 260). Its global activities also allow expanding the scope of the market to enjoy economies of scale, scope and agglomeration. Moreover, a global firm collaborates with other firms through international consortia, cross licensing agreements, long-term supply and purchase contracts, joint ventures, strategic and technological alliance and subcontracting. Collaboration with other firms will allow sharing its activities such as R&D, production facilities, marketing, distribution, input procurement, product development, and design at the global level without necessarily investing abroad directly for these activities (Best, 1990:259–62 and Porter 1990:54).

In addition to their home country advantages, global firms can benefit from host country advantages, such as low wages and local markets by locating their activities in different countries. Therefore, they will be in a more favourable competitive position than an independent local firm of a developing country while their importance in world economic activities has been increasing.

Domination of Large Global Firms: Global firms (large TNCs) increasingly dominate production and international trade (table 1). The figures in this table overestimate the share of the top firms in output as the related data at the firm level are measured in terms of output, but those at the global level are quoted in terms of value added. Nevertheless, the data are very telling on the role of TNCs in international trade and provide some indications on their role in world industrial production and total output. Table 2 presents alternative data on industrial enterprises based on Thomson Financial survey of about 19,000 listed public companies. Again the data are not complete, as they do not include all companies, but the table provides some information on the degree of concentration of firms at the global level. Accordingly, the largest 1270 companies (i.e. 5.1 per cent of the total number of companies surveyed) and the largest 100 firms, account for over two-third, and one-fifth of total sales of the companies surveyed, respectively. Further, according to the main source, the bulk of large companies are located in the main developed countries, particularly the USA. For example, half of the companies with 20,000 or more employees are located in the United States (accounting for over 62 per cent of their total sales), 22 per cent in six European countries (the United Kingdom, Germany, France, Switzerland, Italy and the Netherlands), 8 per cent in Japan and 19 per cent in the rest of the world. Further, the United States firms are more concentrated than the rest of the world. Companies with 20,000 employees and

more account for over 85 per cent of sales of all United States companies included in the database, as against 67 per cent for the world (Shafaeddin, 2006.b).

Table 1: The Importance of the Largest World Industrial Enterprises
(in or around 2000)

The share of largest firms with employees more than 20,000					
The Largest					
Description	Total	10,000	Total	100	25
Number of firms	18,540.0	8.8	5.1	0.5	0.13
Employees (millions)	100.5	77.7	68.0	27.6	7.30
Sales (billion dollars)	2,108.4	7.6	66.8	21.7	6.40

Source: Shafaeddin (2005.a:123).

* In terms of numbers of employees.

Table 2: The Share of Top Firms in Global Production and Trade
(late 1990s)

Activity	Number	Percent
All output	200	28
Industrial output	1000	80
World Trade	500	70

Source: (Mooney 1999:74).

In recent years, the size of large TNCs has increased due to intensification in mergers and acquisition. For example, one-third of the largest US 500 fortune companies listed in 1980 were merged by 1990 and another 40 per cent were merged by 1995 (Shafaeddin, 2006. b). Moreover, in five years between 1997 and 2001, the number of cross-boarder M&A with values of over \$ 1billion reached 450 cases, almost three times greater than the corresponding number for the preceding ten years. In terms of value, it was 4.5 times greater over the same period (Based on UNCTAD, 2005: 9, table 1.1). The large global firms dominate almost all industrial activities as well as services (Shafaeddin, 2005.a:123-125) and have control over technology particularly that they enjoy patent protection through WTO rules

Technology: During recent decades, technologies have become more sophisticated, more specialized and subject to rapid changes. Such development in technology implies that production has become more knowledge intensive, skills have become more firm specific and specialized, and the period of learning has become longer (Lundvall, 2004).

At the same time, the newcomer firms run higher investment risks because during the gestation period of their investment new technologies may arrive making the existing process obsolete or put the existing product out of the market. As new technology is mainly possessed by large TNCs, the barriers to entry are set at a higher level for newcomer firms.

Strategic Behaviour of Global Firms and their Implications: An important feature of global firms is that in their main activities i.e. networking, intra-firm trade⁽²⁾, inter-firm cooperation, etc. they do not go through the market (Porter, 1990, 60-62). Further, while the role of large TNCs in economic activities has increased, the role of the government in decision making and allocation of resources has shrunk during the recent decades due to economic liberalization. In other words, the relative role of large firms in the coordination of economic activities has been increasing against markets and governments.

The large firms coordinate their activities not only outside the market, but they also shape the market and create barriers to entry for new comers. They coordinate their activities through strategic planning, strategic actions and vertical and horizontal relationship with other firms. (Galbraith, 1975; Williamson, 1975; Lazonick, 1991; Best, 1990 and Porter 1990). Further, they have the capacity to influence production costs, prices, technology and the quality of goods they produce. They can target their markets; influence the market structure and the environment within which they operate thus limiting the entry of new firms to the market.

The firm level economies of scale of large established firms are, in particular, important, not only because they are sources of cost advantage (Krugman 1984), but more importantly, because they are sources of "strategic behaviour", "dynamic competition" and progressive and cumulative changes over time (Young, 1928). Such a Schumpeterian source of dynamic competitive process and power of "creative destruction" implies that the ability to export would depend on "comparative strategic advantage" rather than comparative cost advantage alone (Best 1990).

Lazonick (1991) has shown that the combination of technological innovation and organizational capabilities, resulting from experience and firm-level economies of scale, provides the large established firms with the possibility of pursuing an "innovating strategy" based on high fixed costs rather than an "adaptive strategy". That strategy allows them to invest a large amount to develop and utilize productive resources which can bring about new products with higher quality and/or new process with lower cost.

The economies of scale allow them to reduce unit cost of production by lowering price and selling more. The decline in the production cost and prices in this case is totally different from the production cost related to factor costs.

In contrast to the established firms a new and independent firm of a developing country initially has to follow an “adaptive strategy” which involves lower fixed cost and relies on low cost advantages. The lack of experience, technological capabilities, and marketing and distribution channels as well as small size and barriers to entry would not allow a new firm of a developing country to follow an “innovative strategy”.

The successful firms which follow “innovative strategy” have competitive advantages vis-à-vis those with “adaptive strategy”. An innovative firm usually runs more “productive risks” than an adaptive firm, because there is a risk that other innovative firms come up with similar new products. In comparison, the adaptive firm produces standard products. Nevertheless, the adaptive firms of developing countries run more “competitive risks” than the established firms of developed countries. For the standard light manufacturing goods, there is a risk of fallacy of composition and cutthroat price-cutting by other developing countries in addition to the risk of development of new products or technology by established “innovative” firms. More importantly, the costs and the risks involved in upgrading are particularly greater for the firms of developing countries than those of established firms of developed countries as they have inferior technological capabilities.

In short, globalization has changed the nature of competition in the international market in three main ways. First, it has enhanced “strategic competitive advantage” of large established firms. Second, it has intensified the process of Schumpeterian “Dynamic competition” and “creative distraction”. In such a process firms are continuously active in innovation, product development, quality improvement, shortening of delivery time, etc. As a result, the role of “non-price attributes” of products in competitive advantages has increased. Finally, the growing size, their control of technology, experience and strategic behaviour of established firms place them in a superior “competitive advantage” vis-à-vis newcomer and independent firms of developing countries. Such attribute limits prospects of these firms for entry into the international market because unlike the established firms of developed countries only cheap labour and/or raw materials are their main source of competitive advantage.

The increased cost of technology, the prolonged length of learning, the augmented risks of investments⁽³⁾—all these factors have increased the need for government support of

infant industries/firms in a developing country unless integration into the world economy through the FDI channel is feasible and conducive to industrialization. In theory, there are two main methods through which governments can provide support to infant industries. One is creating an environment which contributes to prevalence of external economies; the other is the provision of supports for specific industries and firms. External economies can shift the cost curve of firms downward. Specific support can enhance their earnings for a given cost curve in a particular period. External economies can arise from functional intervention in the economy through general government investment in education, training, infrastructure, institutions and back-up services. It can also arise from collective efficiencies resulting from industrial districts and clustering both of which require government support⁽⁴⁾. While external economies are important, development of a specific infant industry requires provision of temporary support to that industry either through subsidies or imposition of tariffs or some other means. In practice, the policy space of developing countries has been shrinking in recent decades restricting their ability to use such measures.

Of course, the process of globalization improves, under certain conditions, the possibilities and opportunities for developing countries to enter the international market through FDI by global firms. The question is whether development through FDI path, even where feasible, would allow a country to deepen its industrialization or leaves the country locked in a pattern of specialization based on static comparative cost advantage.

3. Different Approaches to Industrial Policies

There are two main approaches to industrial policy: that of neo-liberals and their opponents. The neo-liberal views are expressed through Washington Consensus, IFIs, and contained to some extent in WTO rules. According to the orthodox approach, industrial policy has no place in economic development. The WTO rules limit the use of industrial policy, and developed countries aim at limiting it even further in the Doha Round of trade negotiation and beyond. A number of scholars, however, believe that industrial policy is an important tool of development, but the approach they take is a top down approach. Let us say a few words about each, but concentrate on the WTO rules which are most directly relevant to the question of policy space of developing countries.

The Orthodoxy and WTO Rules: Since early 1980s, there have been changes in the dominant economic philosophy in favour of neo-liberalism, which do not favour government involvement in economic activities beyond some functional intervention in the form of

investment in education, health and securities etc. (See e.g. World Bank, 1987 and 1993). Their argument is that development of a country should be left basically to the operation of market forces; trade liberalization would change the structures of incentives in favour of exports and attract private investment, including FDI, to the areas in which a country has comparative advantage leading to industrialization and growth (see Shafaeddin, 2006.a for a survey). This process, however, has its own limitations in enhancing industrialisation of developing countries (see below); further, it increases the risks and vulnerability of these countries to decisions of global firms in re-location of plants from one country to another.

WTO rules limit policy space of developing countries in a number of ways including:

- The TRIPS agreement restricts application and transfer of technology to developing countries and their development of generic drugs by protecting intellectual property rights, limiting the use of patented technologies or products (patents are protected for 25 years) and restricting the government ability to demand a firm to license a patent to other firms.
- The TRIMs agreement restricts the imposition of “performance requirements” on foreign firms including the local content, export requirements and trade balancing. It also forbids “national preference” i.e. preference for local products in government procurement.
- GATS exposes domestic companies to sever competition with established foreign companies through requirements for most “favoured nations”, “national treatment” in the use of inputs, local employees, and access to local market, etc⁽⁵⁾.
- The Agreement on Subsidy and Countervailing Measures (ASCM) prohibits the use of targeted subsidies for supporting domestic industries and export expansion (except for agricultural goods).

Wade (2005) summarizing the impact of the first three agreement, concludes that: “With a touch of hyperbole the agreements could be called a slow-motion Great Train Robbery” (Ibid: 89). Nevertheless, the detrimental impact of the ASCM on manufacturing production and exports is not any less than the adverse effects of those agreements. Subsidies have been a major instrument of infant industry protection and export expansion in many developing countries, particularly East Asian ones. Under Uruguay Round Agreements (URAs), subsidies provided for the expansion of exports and export supply capabilities are not allowed (ASCM, articles 3 and 8). Article 3 of the Agreement prohibits subsidies to be paid to firms (except for agricultural products) “upon export performance” and “upon the use of domestic over imported goods” (inputs). Definition of subsidies for export performance includes “direct subsidy”, currency retention, preferential

internal transport and freight charges on export shipment, as against domestic shipment and preferential provision of “imported or domestic products or services for use in the production of exported goods” (ASCM, annex I).⁽⁶⁾

While according to paragraph 2.1.a, a subsidy is prohibited if it is “specific”, i.e. it is limited to specific enterprises or industries, according to para. 2.3, all subsidies falling under the provisions of article 3 are regarded as specific. Hence, even if all industries were provided with subsidies tied to export performance, or which favour domestically produced goods, the subsidy would be regarded as specific. The implication of this article is that a country cannot support its infant industries, whether or not for exports, either across-the-board or on a selective basis, when the subsidy is tied to export performance.

Paragraphs 8.2.a, 8.2.b and 8.2.c, however, provide some exceptions to the subsidy rule. For example, Para. 8.2.a provides exceptions to the specificity clause. It covers research activities (R&D) undertaken by firms and/or research and educational establishments, up to 75 per cent of costs of industrial research, or 50 per cent of the costs of pre-competitive development activity. Para. 8.2.b allows for “non-specific” assistance to a country’s disadvantaged regions, provided that clear and objective criteria is used in the definition of such regions. The criteria should be based on development indicators, which should at least cover a measure of income or employment. Accordingly, the income per capita of the region should be lower than the 85 per cent of the average for the country. The unemployment rate should be at least 110 per cent of the country average.

Paragraph 8.2.c allows, under certain conditions, assistance for the adaptation of existing facilities to new environmental requirements of up to 20 per cent of the related cost on a one-time basis, provided it is available to all firms concerned (Shafaeddin, 2005.a)

The Opponents: The existence of such exceptional clauses has led Amsden (2001 and 2005) to consider the possibility of applying industrial policy within the framework of WTO. She argues that although WTO restricts policy space of developing countries, there are still some room for manoeuvrings in the use of industrial policy. For example, she refers to three specific non-actionable subsidies mentioned above, the use of “trade-balancing”, as an indirect export requirement, and development of mid- and high-technology industries through development of science parks (Ibid:22/)⁽⁷⁾. Moreover, she refers to the need for “getting the control mechanism right” to guide and stimulate the private sector in certain direction; in each case the instruments of promotion “...must be tied to monitorable performance standard and operate within a reciprocal control mechanism that disciplines all parties involved in industrial expansion”.

A number of points worth mentioning with respect to the Amsden's proposal. First and most importantly, is that the policy space of developing countries is being limited not only by WTO rules, but also by IFIs and bilateral donors. Therefore, even when the use of a policy tool is allowed under WTO rule, the SAPs, SPs or even bilateral donors, would not necessarily leave a developing country to implement it. Second, under current WTO rules the "control mechanism" (the performance requirements) is limited as mentioned earlier. Third, the provision on subsidies to R&D activities was for a trial period of 5 years and is no longer applicable. Trade balancing requirement is allowed only in accordance with "the balance of payments clause" i.e. for a limited period when a country faces balance of payments problems. Otherwise, it is forbidden under TRIMs Agreement.

Fourth, developed countries are trying to limit the policy space of developing countries even further through the Doha Round and beyond (see below). Finally, the problem is that not only WTO rules are not conducive to development, but they also suffer from many contradictions in design and in implementation of the agreed rules by developed countries. In fact, certain GATT/WTO rules limit policy space of developing countries but leaves the hands of governments of developed countries, relatively speaking, free (see below).

The only possibility under WTO rules to encourage exports indirectly, not mentioned by Amsden, is locating export activities in the "disadvantage" regions. In this case they could benefit from non-specific subsidies provided to all industries in those regions. Nevertheless, the use of such a mechanism would be possible for a short period, because as more industries are located in such regions, they would not remain disadvantaged⁽⁸⁾.

According to Rodrik (2004), rumours of "industrial policy's death" are exaggerated. The reality is that industrial policies have run rampant during the last decades—and nowhere more so than in those economies that have steadily adopted the agenda of orthodox reform. If this fact has escaped attention, it is because the preferential policies in question have privileged exports and foreign investment,—the two fetishes of the Washington Consensus era—and because their advocates have called them strategies of "outward orientation" and other similar sounding names instead of industrial policies (Rodrik, Ibid:28–29).

Preferences given to export processing zones and incentives provided to FDI are among main examples of policies favouring exports and FDI because it is presumed that externalities reside in exports and foreign direct investment' (Ibid: 30).

Rodrik argues that the market does not bring about industrialization on its own, and that as market failures prevail government intervention is required. It is in this context that he advocates the need to 'get the policy process right' and maintains that this can be done, through a 'discovery process' by which 'private and public actors come together to solve problems, including those caused by market failure, in the productive sphere, each side learning about opportunities and constraints faced by other' (ibid.: 3). In such a process 'firms and government learn about underlying costs and opportunities and engage in strategic coordination' to remedy market failures which restrict self-discovery (ibid.: 10). Referring to external constraints and the restrictions on policy space imposed by international rules and conditionalities, Rodrik, like Amsden, argues that (external) restrictions are exaggerated; there is also still some room for manoeuvre to implement industrial policy.

Rodrik's proposal on a mechanism for public-private collaboration is welcome, but it is not new. Public-private cooperation has worked relatively well in East Asia (see, for example, Amsden, 1989; Shafaeddin, 2004a; Wade, 1990). The problem with this Approach is to submit to *fait-à-complet*. Further, as already mentioned the remaining policy space of developing countries will be further limited through Doha Round if developing countries agree with the proposals made by developed countries.

Some other opponents of neo-liberalism advocate a more radical approach on industrial policy. For example, Lall (2004) refers to rapidity and complexity of technical changes, globalization and market failure in technological capability building, and concludes that developing competitive capabilities requires direct and indirect government intervention. Both selective and functional government interventions are required to address market failures which create obstacles to 'capability building' for industrialization and development. Attraction of FDI, he adds, also requires local capabilities; this is a reason only a limited number of developing countries have attracted FDI. Even where such capabilities exist, the contribution of FDI to industrial development and upgrading is limited; its coverage does not often go beyond simple processing and labour intensive activities unless local capabilities are upgraded rapidly.

There are, in fact, a body of literature showing that FDI has not involved much spill-over in developing countries (Gallagher and Zarsky, 2004, Hanson, 2001) Nevertheless, while Lall advocates the need for the creation of space for industrial policy in developing countries, he concludes that it is not feasible under WTO rules to develop and upgrade the necessary capabilities because of restrictions imposed by WTO rules. This is again a passive approach.

In contrast to Lall, Singh (2005) and Wade (2005), argue for some changes in the WTO rules to provide developing countries with Special and Differential Treatment (SDT). Nevertheless, they still follow a sort of top down approach. What is needed is a totally different framework which would allow for differential treatment of developing countries “as a rule” not as exceptions to the rules i.e. a type of SDT currently requested by developing countries.⁽⁹⁾ According to WTO, Various Multilateral Agreements contain 145 SDT provisions of which 107 were adopted at the conclusion of UR (Singh, *ibid*: 237). Further, the July 2004 Text of the Doha Round also refers to the issue frequently. Nevertheless, the main concern of SDT measure in the UR has been “to assist developing countries in implementation of the WTO disciplines” (*ibid*: 237). Moreover, the SDT provisions which are already approved are not taken seriously by developed countries as they are voluntary and not legally binding. There were also some provisions which in fact provide SDTs for developed countries, such as the textile agreement, ASCM Agreement and Agricultural Agreements (see below). After all, despite the emphasize in the July text on SDT and less than reciprocity in favour of developing countries, in practice, developed countries are trying to impose unfavourable terms on developing countries during the Doha Round negotiation. The whole philosophy behind WTO rules needs to be changed as it suffers from contradictions and double standards detrimental to developing countries.

4. Contradictions and Double Standards in GATT/WTO Rules

The GATT/WTO rules suffer from contradictions in design and contradictions between the agreed rules and their implementation by developed countries. as mentioned before. Furthermore, developed countries have been showing further double standards during the so-called “Doha Development Round”. One wonders “...why are there two standards for what is ‘fair? Or ?unfair? trade practices” (Stiglitz, 2005: 17).

Design: According to the preamble to GATT (1949), trade liberalization is the objective of the Agreement. Let us assume for the moment that universal trade liberalization is conducive to industrialization and development of developing countries. Yet, one can find many general and specific “animal farm” type exceptions in GATT/WTO rules in favour of developed countries in contradiction with this general principal of trade liberalization. With respect to general contradictions, first of all, the GATT/WTO rules aim at reducing government intervention in the flow of trade, but are silent about eliminating, or at least reducing, the monopoly, or oligopoly, power of TNCs. In fact, if anything the governments’ controls on these companies have been relaxed through TRIMs and GATS as mentioned above. According to Wade:

These [international] regulations are not about limiting companies' options, as "regulations" normally connotes. Rather they are about limiting the options of developing country governments to constrain the options of companies operating or hoping to operate within their borders. In effect, the new regulations are designed to expand the options of developed country firms to enter and exit markets more easily, with fewer restrictions and obligations, and to lock in appropriation of technological rents" (Wade, 2005: 80).

Second, trade in agricultural products has been so far excluded from liberalization in favour of developed countries.

Third, while trade in manufactured goods was supposed to be liberalized, labour intensive products of main interest to developing countries have been subject to special restrictions (e.g. textiles and clothing has been subject to MFA until recently) or tariff peaks and tariff escalation on products of interests to developing countries.

There are also specific contradictions in various GATT/WTO agreements which favour developed countries but are detrimental to the interest of developing countries. For example, as mentioned earlier, the ASCM allowed subsidization of R&D, the main infant activity of interest to developed countries, and agriculture, and not for manufactured export, an infant activity of interest to developing countries. In the Agricultural Agreement, subsidies used by developed countries (as in R&D, crop insurance, and so on) are allowed, but those most used by developing countries (e.g. input and land improvement subsidies) are subject to countermeasures (Das, 1999: 157)⁽¹⁰⁾. Furthermore, a long period (25 years) of infant industry protection of new technologies and new products is allowed under TRIPs, but temporary infant industry protection of new industries, or new export activities, in developing countries is not allowed (See Shafaeddin, 2005, chapter 8 for details). Again in the TRIPs agreement, while the developing countries obligations on the rules governing patents are binding, their rights are not. By contrast, developed countries' rights are binding, but their obligations are not (Wade, 2005:83-4)⁽¹¹⁾

Implementations: Developed countries have not fully implemented the rules to which they have agreed in GATT/WTO. Such are the lack of proper implementations of the Differential and Preferential Treatment of developing and particularly least developed countries, the Agreement on Textiles and Clothing (ATC), the Agreement on Agriculture (the so-called cotton scandal is only one example) and the abuse of anti-dumping rules and safe-guard measures. Above all, main developed countries have provided extensive targeted supported for their industries and firms against the WTO rules (See Shafaeddin, 2005: Chapter 8 for details).

Doha Round: The Doha Round is supposed to be “development round”. The outcome of the Round has not been decided yet, and the text of the Hong Kong Declaration of December 2005 is vague in many respects, particularly on Non-Agricultural Market Access (NAMA). Nevertheless, many of the proposals which have already been made by developed countries are in contradictions with the stated objectives of the Round. Such contradictions are best expressed in nutshell by a delegation from a developing country in Hong Kong during the WTO meeting of December 2005: “The developed countries talk in the plenary halls of a round for free for developing countries. Then they move into the green room and continue to ask for a round for free, this time for themselves.” (Oxfam, 2005:8).

Generally speaking, GATT/WTO rules and decisions recognize the need to take into account the special need of individual developing countries and industries, (e.g. Article XXVIIbis of GATT 1994, para 8 of Article XXXVI, part IV, GATT 1994, para 4 and 8 of Annex B to the July 2004 Package)⁽¹²⁾. In the particular case of NAMA which is of our particular interest here, the July 2004 package refers to principles of “less than full reciprocity” and “flexibility” in favour of developing countries (e.g. paragraph 8 of Annex B of the text of July Package). In practice, however, the proposals made by developed countries are neither conducive to development nor consistent with those principles. In fact, they push for universal and across-the-board trade liberalization. According, all countries are supposed to apply the same formula to cut average tariffs rates drastically and reduce their dispersion by binding 95 per cent of their individual tariff⁽¹³⁾ lines at the same rate at the low levels. For example, the USA proposed cutting tariffs to 8 per cent by 2010 and reducing them to zero by 2015. Certain sectors are proposed to be subject to zero tariffs immediately upon conclusion of the Doha Round. The EU has proposed non-linear cuts in tariffs according to the Swiss formula⁽¹⁴⁾ and a low and uniform coefficient of 10 chosen for both developed and developing countries. Further it has proposed a tariff cap of 15 per cent for developing and 10 per cent for developed countries for binding all industrial tariff lines. The Swiss formula proposed by EU, and approved in Honk Kong despite the opposition of the majority of developing countries, has four main characteristics:

- The higher the initial tariff rate, the higher the rate of reduction in tariff;
- The lower the coefficient, the higher the rate of reduction in tariff;
- For high tariff rates the rate of reduction in tariffs are higher than the rate of reduction in tariff when simple linear formula (according to which the same percentage reduction is applied at all tariff lines is applied);
- It “has lower rates of percentage reduction than those generated by a tariff independent linear reduction in a certain range of low tariff rates” (WTO, *ibid*: 2).

Although the coefficients of the formula for developing and developed countries are still subject to negotiation, the proposals so far made is not in the interest of developing countries. As initial tariffs for developing countries are well higher than that of developed countries, they would be subject to significantly greater reduction in their rates not only in absolute terms but also in percentage terms. For example, if the EU proposal is approved, a tariff rate of 5 per cent for developed countries will be reduced to 3.33—a reduction of 33 per cent or 1.67 percentage points. By contrast, a tariff rate of 60 percent for developing countries will be reduced to 8.8—or a deduction of 85 per cent, or 51.2 percentage points. For higher initial tariff rates, the new rate would not exceed the cap of 10 per cent (SUNS, 1 November 2005). This maximum rate will also apply to all unbound tariffs after tariff cuts and binding.

The immediate effect of the proposal by developed countries is that developing countries imports of industrial goods will increase more than their exports as indicated by results of simulations (Fernandez de Cordoba, et.al. 2004). More, importantly, it has a significant detrimental long-term effect on their industrialization. The industrial sector of developing countries is, unlike that of developed countries, underdeveloped, thus they need to apply higher tariffs to some of their industries than developed countries. Therefore, the low tariffs rates, as proposed by developed countries, will make them lose an important policy tool for upgrading their industrial capacity. Further, binding of tariffs at low levels would not allow developing countries to raise them beyond the (low) bound level at the time of balance of payments problems (Shafaeddin, 2006.c).

There are some other evidences of double standards by developed countries. For example, while they try to impose caps on industrial tariffs, they refuse to do so for agricultural products. Similarly, while demanding a significant cut in the industrial tariffs of developing countries, they proposed only a very conservative cut in their agricultural tariffs and abolishment of agricultural export subsidy by 2013, but no change in domestic support to agriculture which is far more important than export subsidy. Further, the EU proposal on agriculture exempts European sensitive products from steep cuts, and asked for special safeguard measures for a number of their agricultural products (beef, poultry, butter, fruits, vegetables and sugar). More importantly, both the EU and USA have made their conservative proposals for liberalization of agricultural trade subject to drastic liberalization of both industrial products and services by developing countries and judged by the outcome of the Honk Kong meeting, they have succeeded so far as para 24 of the Hong Kong Declaration calls, however vague, for balanced and proportionate market access for agriculture and NAMA in the negotiation.

In short, as an African delegation commented: “quite simply, we do not detect the political will of other Members to strengthen special and differential treatment provisions to make them more precise, effective and operational, as we all agreed to do in Doha” (SUNS, 31, October 2005). The lack of political “will” is not, however, the only problem. The philosophy behind “trade liberalization hypothesis” suffers from theoretical shortcomings.

5. Shortcomings of the Theory Behind Trade Liberalization

“Trade Liberalization Hypothesis” “the argument against industrial policy is based on a naïve reading of economic theory and misreading of economic history” (Stiglitz, 2005:25).

The philosophy and the theory behind Washington Consensus, trade policies dictated by IFIs (through SAPs and SPs), i.e. the across-the-board and universal trade liberalization, which also governs the GATT/WTO rules to a large extent, is not conducive to industrialization and development of developing countries. Let us for simplicity refer to the idea of “universal and across-the-board trade liberalization as “trade liberalization hypothesis”. We will argue in this section that this hypothesis is not justified by economic theory.

The orthodoxy argues against government intervention in the economy in general as mentioned before. The theoretical argument against government intervention in production and trade is based mainly on the premise that markets are competitive and function well and there is no market failure, but government failure is pervasive. In the particular case of international trade, policy reform has been envisaged as synonymous with “uniform”-across-the-board import liberalization, applicable “universally” to all developing countries. This is a general theoretical abstraction which is, in turn, based on the theory of comparative cost advantage according to which universal free trade will lead to an efficient reallocation of world resources. This theory can predict and explain, under free trade and certain assumptions, the division of labour between industrial countries and developing countries and the specialization of the later in production and exports of primary commodities and labour intensive products. But it, whether in its static or so-called dynamic version, can not explain the process of “catching-up” and upgrading by late-comers.

The theory of comparative cost advantage is based on unrealistic assumptions such as the existence of competitive and perfect internal and international markets, the small size and “passivity” of firms, no “market inadequacy”⁽¹⁵⁾, constant returns to scale, no externalities and no other causes of market failure. Moreover, according to this theory, all countries are

at the same level of technological development, and technology is readily and freely available to their firms, a mix of goods and services are the same in all countries and each product is produced with the same technology in different countries. Further, as all firms are small, they do not play an active role in pricing, technological development, capacity building and the learning process. Full employment, mobility of factors of production between industries, lack of uncertainty and risks, are other unrealistic assumptions of that theoretical abstraction. Accordingly, there is no need for government intervention, whether functional or selective, as no sector or industry plays a particular role in providing positive externalities.

The afore-mentioned assumptions related to internal market structure are particularly unrealistic for low-income countries and those at the early stages of industrialization where markets are missing or market failure is pervasive and the industrial production and export base is usually very small. In these countries the existing industrial capacity often reflects the production of scattered, light manufactured goods, produced at high cost owing to across-the-board import substitution and low capacity utilization; the latter being due to a shortage of foreign exchange and skilled manpower.

Although sometimes they pay lip service to the question of growth, the main concern of neo-liberals is the allocative efficiency.⁽¹⁶⁾ For example, John Williamson, the initiator of the Washington Consensus literature, admits that “none of the ideas spawned by ... development literature ... plays an essential role in motivating the Washington Consensus ...” (see e.g. Williamson, 1990: 19). In other words, what is recommended by the orthodoxy, does not contribute to “catching up”, industrialization and development beyond a short-term gain achieved through allocative efficiency.

Concentration on the allocative efficiency was in fact, one of three main interrelated issues in Adam Smith theory of international trade which has been the basis of the neo-classical theory of trade and the “trade liberalization hypothesis”. The first is Smith’s “focussing attention on the allocative functions of the markets to the exclusion of their creative functions – as an instrument for transmitting impulses to economic change” (Kaldor, 1972: 1240). The second is his concerns with “interchangeable value” [international trade] as against “productive power” [economic development] (List, 1856: 253). Third, Adam Smith introduced his universal theory of free trade for “cosmopolitan economy”, i.e. the economy of mankind as a whole believing that free trade would maximize the welfare of the world economy as a whole. He, in fact, did not distinguish differences between the interest of individuals, and mankind in general. He ignored the fact that some nations may give more weight to their own welfare than to the collective

welfare of humanity. Yet, he thought what was in the interest of Britain was also in the interest of the world as a whole (List, *Ibid.*: 245–6, 74 and 261).

A number of famous neo-classical economists do admit that free trade is an “ideal” as the theory of comparative advantage is based on abstract assumptions (Haberler, 1950:227; Corden, 1974:7–8; Samuelson 1938:226 and 1939:195 and Viner (1953:4–5). For example, according to Samuelson: “some trade is better than no trade, but that does not necessarily imply that free trade is the optimum for any country” (Samuelson 1938:266)⁽¹⁷⁾ Jacob Viner (1953: 4–5) correctly maintains that Smith and other classical economists took a cosmopolitan approach because they thought that what was in the interest of England was also in the interest of the world as a whole. Viner admits that what was relevant to their time and country may not necessarily be relevant for other times and other countries, and, in particular, it may not be relevant for “economically less advanced countries” at any time. Hence, ‘it is today always necessary, as it was for the English classical economists, to be perfectly clear whether we are considering a problem, say, commercial policy from a national or from a cosmopolitan point of view’ (Viner 1953: 5). Despite such reservations by famous Neo-classical economists, in the end free trade remains the “religion” of neo-liberals. Such an ideology is, for example, evident in some of the documents of the World Bank on MENA.

6. World Bank’s Evaluation of Economic Performance of MENA

The Bank praises the socio-economic performance of the MENA region between 1965–1985 as unprecedented in terms of growth of output, poverty reduction, income equality, reduction in mortality rate, increase in life expectancy, literacy levels and school enrolment (World Bank, 2004:14). By contrast, it regards the economic performance of the region disappointing in more recent decades particularly in areas of trade and private investment and attributes its weak performance to weak policies and weak governance (World Bank, 2003.a:1–2; 2003.b:2, 8–9 and 10) and high tariffs (World Bank, 2005:156–162). Accordingly, it advocates deepening and accelerating market oriented reform and a shift to export-oriented activities (Ibid: 2) as trade is “likely to be a key source of growth in MENA region in the next decade and beyond” (Ibid: 4). The Reports, however, suffer from some important contradictions. First, it is not clear on what ground, it is assumed that the governance capacity of these countries in general has become weaker during 1980s–1990s than the previous decades. In fact, the World Bank shows that the quality of governance in the region increases with the income level (World Bank, 2003, b: 5). As income in all countries of the region has increased during the period concerned, although

slowly, the capacity of the governance could not have become weaker. One should search for the reason for their sluggish performance elsewhere.

Secondly, while slow growth performance of the region is attributed to high tariffs, it is not clear why “resource-rich, importing labour” countries [a number of oil exporting countries], which according to the Bank have had significantly low tariffs rates (their median tariff rates was around 5 per cent) (World Bank, 2005:160, figure D.3), have shown according to the Bank (Ibid: 156–162) the worse growth performance.

Thirdly, on the one hand referring to a few successful cases of china, India and Vietnam, the Bank argues that “...the content, pace, and sequencing of reform should be tailored to specific settings” (World Bank 2003.a:5):

...China, India and Vietnam which have often undertaken ...incomplete (or non-orthodox) approaches [read approaches different from those recommended by IFIs] to liberalizing trade and investment. But they have produced outcomes that are often better than in other cases where reform have been orthodox and complete (as in Argentina and Brazil) (Ibid: 5).

It is not clear if “incomplete” and non-orthodox reform succeed in China, India and Vietnam, why it did not succeed in Argentina and Brazil and why it should not succeed in MENA and elsewhere. It is not clear because after admitting the success of the “non-orthodox approach” and recommending tailoring the “content [our italics], pace and sequence of the reform to specific settings, the Bank immediately advocates its own typical policy package. Accordingly, it recommends “across-the-board”, uniform and “accelerated” (except for the sector in which job losses are likely to be significant) trade and financial liberalization, significant devaluation, deregulation of domestic and foreign investment, etc. (Ibid: 6 and 7). It is emphasized that “F[aster] growth of output, productivity, and job is available if MENA countries tackle deep seated barriers to trade and investment” (Ibid: 17). For example a “magic” uniform tariff rate of 10 per cent is proposed for labour-abundant, resource rich countries of the region (Ibid: 10).

The report does not pay enough attention to a crucial difference between the reforms in China, India and Vietnam and their contrast with those implemented in Argentina and Brazil. The former group of countries, as well as other East Asian countries, have designed their trade reform programmes—at least until recently on their own— as a part of their long-run industrial policy and liberalized selectively and gradually. By contrast, Argentina and Brazil, and many other developing

countries, have been under the influence of Washington Consensus or the pressure of IFIs and embarked on a shock therapy and across-the-board trade liberalization. Let us also mention that the rapid development in the MENA region during 1965–85 was partly due to growth of oil exporting countries of the region as a result of increase in oil revenues. Nevertheless, 1965–85 was the period during which the Governments of the region intervened in the economy heavily and most countries were engaged in import substitutions industrialization⁽¹⁸⁾. By contrast, during more recent decades they have been influenced more than before by external pressure, interference or advice in their policy makings as mentioned before.

In another report, the World Bank (2005) is blunt in self-criticism of its own policy recommendations on economic reform during the last quarter of century, yet in the final analysis “openness” remains a must for all developing countries irrespective of their level of development. For example, it is admitted that “reform policies of 1990 did not provide incentive for expansion of production capacity”; that market failure prevails (p.10); that “one size fits all” policies fail (p.12); that means [reform] were mistaken for goals [growth] (p.11), etc.:

In retrospect, it is clear [our italic] that in the 1990s we often mistook efficiency gains for growth. The “one size fits all” policy reform approach to economic growth and the belief in “best practices” exaggerated the gains from improved resource allocation and their dynamic repercussions, and proved to be both theoretically incomplete and contradicted the evidence[our italics]. Expectations that gains in growth would be won entirely through policy improvements were unrealistic. Means were often mistaken for goals—that is, improvements in policies were mistaken for growth strategies, as if improvements in policies were an end in themselves (ibid: 11).

Further, recognition is made of the risk in indiscriminate opening of capital account (Ibid: 14), the importance of “country specificities” in drawing policies (Ibid: 15), the role of trial and error and experiment (p.16). Nevertheless, in the end the idea of universal free trade seems to be sacred: “trade openness [remains] a key element of successful strategy” (Ibid: 18) and (protection is not good for economic growth” (Ibid: 135). The only qualification to this sacred formula, which is to be universally applied to all countries irrespective of their level of development, is that it has to be combined with other policies i.e. it should be a part of a comprehensive package (ibid:18–21 and 135) which are mainly elements of Structural Adjustment Programmes.

7. Evidence From History and Experience of Developing Countries

“We cannot go back to the past. But neither should we fail to recognize the failures of the present.” (Stiglitz, 2005:32).

Not only, the theoretical approach of the Bank and the Washington Consensus to “openness” is shaky, but the empirical evidence provided by the experience of other developing countries which have undertaken across-the-board and universal trade has also been disappointing. The history of industrialization of both early industrializers and latecomers teaches us a couple of important general lessons. First, with the exception of Honk Kong (Province of China), no country has managed to industrialize without going through infant industry protection phase. In all successful cases government intervention, both functional and selective, in the flow of trade and in the economy in general has played a crucial role. Second, across-the-board import substitution and prolonged protection have also led to inefficiency and failure. Third, the experience of premature and across-the-board trade liberalization, whether during the colonial era or in more recent decades, has been disappointing. Let us say a few words about each.

The experience of all successful countries, whether early industrializers or latecomers— including Great Britain—indicates that industrialization began on selective basis and continued in the same manner until the industrial sector was consolidated. Further, when their industries matured, they began to liberalize selectively and gradually. In the case of USA, when the country tried to liberalize pre-maturely in 1847–61, the industrial sector suffered and the country had to revert to protectionism against imports from Great Britain. In all successful cases government intervention was not confined to trade, the state intervened through other means; trade policy was not the only contributory factor to their success. The government directly and indirectly intervened, in particular, to develop the necessary institutions and infrastructure and promote investment. In all cases industrialization was supported by growth in agricultural sector. Corn Law in Great Britain and protection of rice production in East Asian countries are only two examples. While different countries did not follow exactly the same path, all learned from the experience of others ; USA learned from GB, Germany from USA, Japan from Germany and Republic of Korea from Japan, etc. (See Shafaeddin, 1998)

Finally, in all main early industrializers—GB, USA, France, Germany— when the industrial sector was matured, they used tariffs as a tool of bargaining in trade negotiations or pushed for opening markets in other countries. In the 19th century 5 per cent rules

were imposed on colonies and semi-colonies through “unequal” bilateral treaties and or through force (e.g. the imposition of the opium war on China). During recent decades, developing countries have been pushed through multilateral organizations and bilateral trade agreements to open their markets (Chang, 2005.a:10 and Shafaeddin, 1998)⁽¹⁹⁾. Further, limiting the policy space of the colonies, in the 19th century, was not confined to 5 per cent rule. “High value-added manufacturing activities were outlawed in the colonies and competing export items from colonies were banned. Instead, production of primary products was encouraged” (Chang, Ibid: 7). During recent decades, tariff peaks and escalations and arbitrary anti-dumping measures were among means of restricting imports of high-value added products to developed countries.

The results of forced liberalization on colonies and semi-colonies in the 19th century was slow growth; “in all parts of developing world. Economic growth accelerated after the end of imperialism” (when they regained their policy autonomy) (Chang, 2005. b:32)⁽²⁰⁾.

The available evidence on the impact of a cross-the-board liberalisation on developing countries during recent decades is similarly disappointing despite the fact that the neo-liberals and the neo-liberal oriented institutions try to convince us to the contrary (see e.g. Sachs and Warner, 1995)⁽²¹⁾. The studies presented by the neo-liberals, however, suffer from many methodological problems. In fact, the results of cross-sectional studies have revealed no, or little, evidence that there was any statistically significant correlation between trade barriers or openness with economic growth in recent decades (Rodriguez and Rodrik, 2001; Wacziarg and Welch, 2003; ECLAC, 2002). More importantly, UNDP (2003) finds a positive correlation between a country’s tariff rate and growth rate for the period 1990s. There is also some evidence that trade liberalization has led to de-industrialization of low income countries, particularly in Sub-Saharan Africa (Bennel, 1998; Shafaeddin, 1995; Noorbakhsh and Paloni, 2000; and Thoborn 2001)⁽²²⁾.

Not only the experience of across-the-board and universal trade liberalization has been disappointing, but the result of the economic reform in general proposed by neo-liberal has been unsatisfactory. According to Professor Stiglitz: “Today the inadequacies of Washington Consensus reform are apparent...” (Stiglitz, 2005:31). He maintains that stabilization policies do not ensure either growth or stability; the benefits of trade liberalization are questionable particularly that “workers move from low-productivity jobs to unemployment” instead of moving to high-productivity jobs; capital market liberalization does not necessarily leads to faster growth and exposes the

countries to higher risks; privatization often leads to higher prices of utilities; the adverse social consequences of wrong policies imposed on developing countries has been seen in many countries (Stiglitz, *Ibid*:200516–18).

In a study of a sample of about 50 developing countries for the period 1980–2000, the present author has shown that the results of trade liberalization have been mixed (Shafaeddin, 2005.a and 2006.a). Twenty countries experienced rapid expansion of exports of manufactured goods. In a minority of these countries, mostly East Asian NIEs, rapid export growth was also accompanied with fast expansion of industrial supply capacity and upgrading. In these countries, at least until recently, economic reform, particularly trade liberalization, has taken place gradually and selectively as part of a long-term industrial policy after they had reached a certain level of industrial maturity and development. By contrast, the performance of the remaining countries, mostly in Africa and Latin America (majority cases), has not been satisfactory. These countries embarked, in the main, in the 1980s, on a process of structural reform including uniform and across-the-board and often pre-matured liberalization and intensified their liberalization efforts in the 1990s. Consequently, half of the sample countries, mostly low income ones, have faced de-industrialization. Even in some cases where manufactured exports grew extremely fast, e.g. Mexico, MVA did not accelerate and little upgrading of the industrial base took place. During 1990s Mexico achieved annual average growth rate of manufactured exports of about 30 per cent, yet its corresponding growth rate of MVA did not exceed beyond 4 per cent as against an average of 7.5 per cent for Malaysia, Thailand, Indonesia, and Singapore (Shafaeddin, 2005.a, table 2.1) and its own MVA growth rate of about 7 per cent in 1960s. Notwithstanding its deep reform and significant inflow of FDI, Brazil's exports of manufactured goods and MVA grew only by 5.4 per cent and 1.1 per cent a year, respectively during the same period. Despite two decades of reform, Ghana's growth in MVA was significantly negative during 1990s (–35 percent). Further, the liberalization efforts did not encourage exports of manufactured goods beyond some wood processing the production capacity of which in fact remained still below the level of mid-1970s (ibid:46–48). Although the growth performance in both Ghana and Brazil has somewhat improved in last few years, the sustainability of recovery is questionable as their investment has not picked up much.

The reform programmes designed by IFIs failed to simulate private investment, particularly in the manufacturing sector; the I/GDP ratio fell even where the inflow of FDI was considerable—e.g. in the case of a number of Latin American countries including Brazil. While, trade liberalization changed the structure of incentives in favour of

exports, the balance between risks and return changed against the manufacturing sector. In contrast to traditional MS, the outward orientation strategies reduced the incentive for investment in manufacturing sector due to reduction in its profit margin resulting from import liberalization. At the same time, it increased the risks of investment due to increased competition in the domestic market and the lack of sufficient market information and marketing channels for exports.

Generally speaking, in the “majority cases” trade liberalization has led to the development and re-orientation of the industrial sector in accordance with static comparative advantage. Resource-based industries and some labour intensive activities, such as assembly operations, expanded in most countries and little up-grading took place. At the same time some labour intensive industries shut down leading to significant lay offs. The performance of two categories of industries was, however, exceptional. These include industries that were near maturity and/or those which had been dynamic during the import substitution era. Both categories continued to be dynamic in terms of production, exports and investment. For example, the aerospace industry in Brazil, benefited from liberalization as the competitive pressure that emerged made it more efficient despite the initial difficulties it encountered (Shafaeddin, 2006.a). Otherwise, many industries were destroyed without necessarily leading to the emergence of new ones.

The mixed results obtained from the above-mentioned study and the historical experience of successful cases prompted the author to conclude that there is a need for an alternative approach to trade and industrial policies as comparative advantage has to be created; it is not god given.

8. A Framework for Development Oriented Trade and Industrial Policies

We do not intend to present a blueprint for trade and industrial policies, industrialization, upgrading and economic development in general. Each country’s particular situation has to be taken into account. Nevertheless, drawing on the experiences of both early and late industrializers, some elements of an alternative trade and industrial policy can be outlined: trade policy should be development-oriented, country specific, based on the realities of the international market, and allow for the dynamic and changing relative roles of market, firms and governments in co-ordinating economic activities over time. Further, they should be selective, mixed, dynamic and predictable in nature; pay attention to the complementary role of ‘non-price factors’ and agriculture. Trade policies should enhance productivity rather than relying on repeated

devaluation. Finally, FDI should be used selectively and effective management of capital flows should be ensured.

Development Orientation: Trade policy is a means to achieving the general development objective of a country including building up supply capacity and industrialization. So are, in fact, international trade, market, industrial policies, FDI, technology, etc. The “means” and “ends” or objectives should not be confused. Therefore, trade policy is not necessarily synonymous with trade liberalization and success in “liberalization”, or “protection”, per se is not a guarantee of “success” in development.

Following Myrdal (1971:356) we define development as “the movement of the whole social system upward”. Therefore, it is a dynamic process involving, inter alia, not only growth but also raising of the standard of living of the masses of population and providing them with employment. Trade policy should help achieving these objectives. Export expansion should not take place simply for exports’ sake. The aim of export development and competitiveness is not to keep wages and other income of citizens low; otherwise, ends are sacrificed for means (Paus 1989). Similarly, integration to the world economy should not take place for the sake of integration. Wade (2005) correctly argues that development is more about internal integration than external integration. Internal and external integration should reinforce each other as external integration is beneficial if only it contributes to internal integration (Wade, 2005: 94–5).

Specialization on the basis of theory of comparative cost advantage is necessary to begin with the process of industrialization, but if a country stops at producing and exporting labour intensive and resource based industries, those objectives will not be met in the long-run. In order to convert the industrial sector “into gradual acquisition of retainable industry” there is a need for upgrading of the industrial structure in accordance with dynamic comparative advantage (Gomery and Baumol, 2000:71). Such advantage is, however, “made not given”, and it will not be achieved through the operation of market forces alone. A country can develop comparative advantage in an industry of its own choice through Government action (Cline 1983:155–56).

To achieve dynamic comparative advantage and serve the purpose of development, therefore at any point in time, trade policy may comprise protection accorded to some industries though tariffs and/or quantitative restrictions, payments of subsidies, or any other measures necessary to achieve the objectives of development. At the same time it may also include liberalization of trade in some other goods as appropriate.

International Market Structure and the “Competence Gap”: The design of trade policy should be based on the realities of the international market and the specific condition of each country rather than on some theoretical abstraction. In a world where the characteristics of the market are different from the premises of trade liberalization hypotheses, relying on market forces alone will not lead to the achievement of dynamic comparative advantage. In such a world international prices are distorted by the activities and interests of large oligopolistic firms, governments of industrial countries, mal-distribution of income and assets among developed and developing countries and by the tastes and technologies possessed by the former. Further, as mentioned before, the increasing market concentration, the growing technological competence gap between developing and industrialized countries and other developments in the world economy have increased the role of knowledge and experience in industrialization. Thus the period of learning has prolonged. In such a world, the need for infant industry support has increased. Some support is initially required for penetrating into international market. Whether the necessary support should be provided through protection or subsidization of output, or factors of production, is a secondary issue. The main point is that infant industry support is needed not only for import substitution but also for export promotion. For a newcomer, the unit cost of production is high not only in industries subject to economies of scale, but also in all other industries due to the lack of experience and knowledge (Fontaine 1992). Their infant industry support is therefore unavoidable. List (1865), Mill (1965), Stiglitz (1996), Wade (1990) Dasgupta and Stiglitz (1988), Redding (1999), Buffie (2001), List (1865), Mill (1965), Senghaas (1989) and Shafaeddin (1995.a and 2005.a) are among those who have argued in favour of temporary and selective infant industry protection.

Country Specificity: There is no universal rules and blueprint for trade policy as mentioned earlier in this section. Economic policies, including reform programmes need to be geared to each country’s needs, the degree of market development, initial industrial capacity, level of development, development objectives and socio-economic characteristics. In each point in time, for developing countries with little or no industrial capacity, such as the low-income countries that are mostly located in Africa, the vital issue is to develop supply capacity and to lay the foundation for expanding export. For countries which have already undertaken some degree of import substitution, such as some Latin American and the Middle Eastern ones, the main requirement is to make their industries efficient and competitive and to expand exports. The challenge for those with some export capacity – the NIEs – is to develop their technological capabilities to upgrade their industrial structure in order to exploit new opportunities in the domestic and international markets.

The existence of “competence gap”, risks involved in new activities and prevalence of positive externalities related to training and skill development were the main argument put forward by F. List (1856), the founder of theory of temporary infant industry protection, who challenged the classical theory of trade. Nevertheless, his emphasis was on the need for taking into account the industrial capacity and other specific conditions of each country. The aim of protection according to him is to develop the “productive power” of a newcomer country which lags behind early industrializers. But the development of the productive power of a nation depends mainly on development of “mental capital” [human capita] which in turn depends on specific soci-economic, institutional and moral factors, etc. (see Shafaeddin, 2005.b, for more details).

It is interesting to note that although he was a classical economist, J.S. Mill fully endorsed the infant industry argument on the basis of the same reasoning provided by List (competence gap, risks, externalities) and referred to country specificity as is evident from the following passage.⁽²³⁾ Mill also adopted a dynamic perspective on comparative advantage requiring government intervention.

The only case in which, on mere principles of political economy, protecting duties can be defensible, is when they are imposed temporarily (especially in a young and rising nation) in hopes of naturalizing a foreign industry, in itself perfectly suitable to the circumstances of the country. The superiority of one country over another in a branch of production often arises only from having begun it sooner. There may be no inherent advantage on one part, or disadvantage on the other, but only a present superiority of acquired skill and experience. A country which has this skill and experience yet to acquire, may in other respects be better adapted to the production than those which were earlier in the field; and besides, it is a just remark of Mr. Rae, that nothing has a greater tendency to promote improvements in any branch of production than its trial under a new set of conditions. But it cannot be expected that individuals should, at their own risk, or rather to their certain loss, introduce a new manufacture, and bear the burden of carrying it on until the producers have been educated up to the level of those with whom the processes are traditional. A protecting duty, continued for a reasonable time, might sometimes be the least inconvenient mode in which the nation can tax itself for the support of such an experiment (Mill 1965: 918–19).

The Role of Market, Firms and Government: The market definitely has a role to play in the process of industrialization and development. Nevertheless; it can deal only with gradual and marginal changes. It is “inadequate” on its own to accelerate growth

of supply capacity, promote dynamic comparative advantage and upgrade technological capabilities. There is a need for government intervention. Moreover, "...there is no way that the government can avoid forming a 'vision' of where the economy is going" (Stiglitz, 2005:29).

The price mechanism is slow to create market and develop "non-price factors". By non-price factors we mean institutions, infrastructure, information and back-up services necessary for the efficient operation of markets. The response to incentives will be limited especially when non-price factors are lacking. The market also fails to make inefficient industries efficient and competitive, particularly through shock therapy, i.e. by sudden and drastic trade liberalization. Large and sudden changes in the price structure create uncertainty.

Similarly, technological upgrading is not an automatic process. It involves a learning process for generating specific technical and managerial skills in the chain of production and distribution. Technological learning requires time and experience; it is costly and involves risks as well as externalities. It necessitates a deliberate effort and a systemic and comprehensive approach to policies and actions at all levels: enterprises, sectors, national and international.

Learning plays a vital role in industrialization,⁽²⁴⁾ and takes various forms: learning by studying and training; learning-by-doing; learning-by-using, imitating and adapting; learning by experience; and most of all learning by trial and error. While learning has to be promoted at various level of the economy, specialized capabilities are developed at the firm and activity levels. It is efficient firms which are able to export, as knowledge and skills are firm-specific and activity-specific. Hence, not only functional intervention, through education, but also selective and targeted interventions are required by the government to promote specific skill and learning at the industry and activity levels.

Although there is a risk of government failure, this is not an argument in favour of leaving everything to the mercy of market forces. After all, market is not and cannot be the only coordination mechanism. The coordination of economic activities at both domestic and international levels takes place through a "coordination system" (Shafaeddin 2004.a); that is the combination of markets, state and firms, complemented and supported by "non-price factors". Nevertheless, in contrast to the orthodox approach according to which firms are passive, the firm is the driving force in such a coordination system, around which the other coordination mechanisms operate. Hence, government action and policies, should complement the market, it should not replace it.

The relative role of each element of the coordination system and the degree of the interaction among various mechanisms vary from one country to another and in each country over time, depending on the level of development, structural, historical and socio-political conditions of the country, and on the interrelation among various sectors of the economy. Similarly, the role of the private and public sectors may change over time, although close cooperation between the two is essential throughout the process of development.

In each country and in each period, the relative role of each element of the coordination system also depends on the existence of various markets and the degree of market failure which is, *inter alia*, influenced by the nature and the degree of development of “non-price factors”. At the early stages of their development, developing countries face a dilemma, because all coordination mechanisms run a high risk of failure. Market failure is pervasive because of the lack, or underdevelopment of markets; the risk of entrepreneurship failure is large because of the lack of experienced entrepreneurs and underdevelopment of the formal sector; the risk of government failure is significant because of the low capacity of the bureaucracy. The lower the level of development, the higher is the risk of coordination failure. Moreover, there is a vicious circle. The country is underdeveloped because of the failure of the coordination mechanisms, the coordination mechanisms fail because of the low level of development. To break this circle, action should be taken on all fronts: to create or improve markets, to increase the organizational capacity of entrepreneurs, to develop the necessary infrastructure and institutional framework of the country and to increase the capacity of the State.

Nevertheless, to break the vicious circle, initially the key role is to be played by government. As we mentioned earlier in this paper, market forces *per se* will develop neither the market nor the “non-price factors” rapidly. During the early stages of development, the direct participation of the public sector in industrialization may become essential, particularly in areas where the private sector is not prepared to invest because of existence of high risks or in industries which involve significant externalities. As the private sector and the market develop, public ownership and the role of the government may gradually be reduced. Experience, however, indicates that the development of infrastructure, institutions and back-up services and provision of information cannot be left to the private sector entirely because of the need for significant overhead investment and involvement of externalities. Further, “Government could, in principle, enhance the efficiency of the market” (Stiglitz 2005: 25) and make it more development friendly (Wade, 2005, Lall 2004, Stiglitz, 2005 and Shafaeddin, 2004.a). Yet more, the “government

has the responsibility, and the opportunity, for shaping the economic environment” (Stiglitz, 2005:31).

It is sometimes argued that even if the application of industrial policy of one type or another is justified, the capacity of the state in developing countries is insufficient for their efficient implementation. It is partly for this reason that, it is argued, the East Asian experience is not replicable in other countries. A couple of points worth mentioning in this respect. First, the state capacity of many developing countries today is not necessarily inferior to that of Republic of Korea, or Thailand, in 1950s and 1960s. Second, even if it were the capacity of the state can be improved, but missing market will not develop by itself and market failures will not correct themselves automatically. Third, and more important, there is a contradiction in the logic used in the argument on the capacity of the state in developing countries. Wade correctly states that:

“...ironically, the world is proceeding on the assumption, in the TRIPS agreement, that developing country states do have a considerable capacity to enforce patents and copyrights. It is not obvious that a state that can do this would not also be able to implement effective protection and other forms of policy” (Wade, 2005:94).⁽²⁵⁾

Hence, the key issue in development of an efficient coordination system, particularly for countries at early stages of industrialization and development is to improve the learning capacity and efficiency of the government machinery in formulating, implementing and correcting its policies. It is not easy but feasible, as the experience of both early industrializers and NIEs indicate. Since design of trade and industrial policies differ from one country to another, nobody knows what the “right policy” might be (as nobody knows what the “right prices” are) exactly in each specific case. It is a question of trial and error – of learning by doing. This is why the learning capacity of the government is vital indeed.

Therefore, it is a fallacy that there is no, or limited, role for government in the process of industrialization. Some government intervention is required to compensate for market deficiencies and inadequacies, to build up and upgrade production capacity, whether or not for export, to create markets, to establish complementary “non-price factors” and to correct market failure. Furthermore, the market is a “servant” – the means – and not a “master”. As prices are to serve the long-term objectives of development, a wrong, i.e. distorted short-term price structure may be the right one if it serves to achieve the long-term objective of dynamic comparative advantage (Fontaine 1992, Amsden 1989 and Paus 1989).

In other words, the question is not “market or government”: it is to what extent the government should intervene, in what form; and how the efficiency of the government intervention could be improved to minimize government and market failures. Nevertheless, unnecessary, rigid and prolonged government intervention in the economy should be avoided; the government should not replace the market when it operates well.

Features of Trade and Industrial Policies: Trade and industrial policy should be selective, mixed, dynamic, and predictable and supplemented by development of “non-price factors” and agriculture. The scarcity of resources, existence of market failure, different externalities and different learning effects and linkages in different industries would imply that industrial development should start on a selective basis. Some consumer goods that are most commonly in demand in the internal market and which preferably also involve significant learning effects could be chosen as a first group of industries for capacity building. Whereas the final products of selected industries are protected, imported inputs for these industries should be free of duties.

The provision of protection to the selected industry should not, however, be given without conditions and without limit. The government should insist on performance in exchange for the incentives and sanction the industrialists in cases where their performance is not satisfactory. In other words, any industrial strategy should embody elements of both rewards and pressure from the government, market or both. As firms develop their production capacity, the government should introduce or gradually increase the pressure of competition in the internal market by allowing new entrants to the field. In industries where economies of scale are important, however, the competitive pressure should not be at the cost of production at an inefficient scale. One criterion for performance should be cost reduction and quality improvement.

F. List clearly spoke of providing rewards and prizes in addition to tariffs or subsidies to enterprises which perform well in terms of product quality improvement, efficiency, acquisition of knowledge etc. and introduce pressure on industries which are provided with incentives:

If a government observes that manufacturers are producing goods lower in quality and higher in price than those made abroad and if it is satisfied that this is the fault of the local industrialists it should offer substantial prizes as a reward to those manufacturers who, within a specified period, are able to make goods which approach those made abroad in quality and price. The ability to manufacture such goods regularly should also be considered when awarding prizes. Acceptance of such an award should be conditional

upon a firm allowing workers employed elsewhere to visit its factory so as to improve their technical knowledge. (F. List quoted in Ho, 2005: 739).

Similarly, should a government decide that manufacturers have failed to make products which are as good as those made abroad simply because they have not been able to secure the services of a sufficient number of hardworking skilled men it should offer prizes to workers who reach a high standard of technical skill. It should also offer prizes to firms which, in a particular period, have succeeded in attracting foreign workers of proven skill and reliability into their employment. (ibid, 740.).

According to List, the pressure on enterprises to perform is applied first through the introduction of domestic competition followed by gradual import liberalization (see Shafaeddin, 2005.b for details).

Almost all successful industrializers applied some sort of performance requirement, or “control mechanism” to discipline the protected industries or manage the foreign companies. For example, in East Asian countries subsidies were provided in exchange for performance including export performance (Amsden, 2005 and 2001)). As far as FDI is concerned, in Japan and other East Asian countries the right of foreign firms to sell in the domestic market was linked to the increase in production of parts and components or, in the case of Thailand, for hiring local managers (Amsden, 2005:222). USA and other developed countries also have applied requirement of one kind or another even during 1990s (Kumar, 2005:182–5). Amsden distinguishes three major types of performance standards:

First, techno-standards [which] ties subsidies ... to the professionalization of managerial practices. Second, policy standards [which] ties subsidies to the promotion of major national strategic priorities, such as maintaining price stability, increasing local content, raising the level of exports and not worsening income distribution. Third, both types of performance standards, as they operate in the arena of science and technology, [and which] are designed to increase national skill formation and the generation of firm-specific knowledge-based assets (Amsden, 2005:227).

To continue, as domestic capacity is developed in an industry, all measures should be taken to allow the firms involved to enter into the foreign market rapidly. At this stage the relevant firms need to improve efficiency and quality if they are to compete in the internal and international markets. But the disadvantages of cost, external economies in market search and marketing, lack of experience in exporting and marketing and risks related to entry barriers require “infant export protection/support” through export subsidy, tax holiday

and/or fiscal incentives. Infant industry support is not confined to the import substitution phase of production. Government intervention should be more evident during the second stage of infancy, i.e. when the infant industry starts to cut into the international market.

Once again incentives should be provided in exchange for performance – this time for export performance. One policy practised in Japan and other East Asian countries was to give preference in the allocation of foreign exchange for the import of inputs to those firms which showed satisfactory export performance.

The enterprises must be made to know in advance that infant industry support during its first and second phases is temporary. They should also know the schedule of the phase out of this support. The pressure for improved efficiency should eventually take the form of gradual liberalization of imports of final goods.

While the first group of industries go through the second infancy phase, an attempt should be made to use their exports proceeds for a parallel development of the second group of industries; again on a selective basis. These industries may include some other consumer goods and/or intermediate inputs used in the production of the first group of industries. A system of drawbacks should apply to the products of these industries when they are exported. As the second group of industries matures in the production process, some sophisticated and durable consumer goods, some inputs to the second group of industries and some machinery used in production of the first group could be added to the list of infant industries for support. Eventually, some of these industries become subject to infant export protection.

Infant export protection/support also takes place on a selective basis for each group of industries which, over time, would themselves be subject to the same modalities as that of the first group. The choice of machinery may be influenced by the size of the country and the type of existing industries. The process of deepening industrialization could continue until an industrial base is established, export capabilities developed and capacities for efficient production of machinery are acquired. During such a process for each industry while the role of government intervention is gradually reduced, the responsibilities of the firms and the role of the market are increased. Inter-firm relations, through trade and industrial associations, could be developed to help undertake these responsibilities. Clustering of industries would be useful to exploit externalities in institutions, infrastructure, marketing, skill development, etc. Nevertheless, clustering also requires support and guidance from the government. A close government-business

relationship for drawing and implementing the related rules and guidelines would facilitate the process of industrialization and interchange of information.

For example, if textiles were chosen as a first group of industries for industrial development, in the first phase textiles would be supported and supplied with a free flow of imports of yarn and machineries. In the second phase the protection of production should be gradually reduced, but assistance and incentives should be provided to promote exports of textiles. In this phase, exports can be accompanied with import substitution of yarns. Ultimately, assistance to exports of textiles should be reduced to zero as the industry matures and penetrates into the international market. In the meantime textile machines can be produced domestically and possibly be exported. When a number of industries are developed in this manner over time, the related process is said to resemble “flying geese”, an expression first used in the context of Japanese industrialization. Nonetheless, almost all successful industrializers followed more or less a similar process.⁽²⁶⁾

Not all industries selected for import substitution could be necessarily candidates for exportation. Nonetheless, this should not imply that protection should continue forever, the industries developed through import substitution should be made efficient so that they could compete at least in the domestic market.

As the industrial base widens the expansion of investment in production and export capacity takes on more importance. Specialization in production and exports of standard manufactured goods is subject to the fallacy of composition if a large number of developing countries produce similar products. Therefore, to avoid terms of trade losses the industrial deepening should follow industrial widening. Industrial deepening requires the upgrading of products and the production process, quality improvement, and introduction of new products or a new variety of the same products. This process requires a technological innovation which is different from innovation at early stages of industrialization. At the early stages, innovation could take the form of introducing and operating a new machine or imitation and adaptation of technologies to local conditions. Innovation required for upgrading the industrial structure, necessitate R&D and eventually development of new and frontier technology. The development of new technology in turn necessitates “infant” support because of the risks and dynamic external economies of learning involved.

To exemplify the evolution of dynamic and mixed trade policy over the period of industrialization, we have presented the example of tariffs, as an instrument of trade

policy, in table 3 (Note that the figures provided are only for the purpose of exposition). As can be seen, in each phase some industries are protected and others benefit from free trade; an industry will not be subject to protection permanently, after a while it will be liberalized gradually; the average tariff rate for the manufacturing sector rises first before declining and reaching zero eventually.

Table 3: Evolution of Average Tariffs for Various Groups of Industries at Different Phases of Industrialization

Phase	RB&LI	LT	MT	HT	Manufactures (Average)
I	20	0	0	0	5
II	10	40	0	0	12.5
III	0	30	50	0	12.5
IV	0	20	40	40	25
V	0	10	30	40	20
VI	0	0	15	25	10
VII	0	0	5	15	5
VIII	0	0	0	0	0

Source: Akyuz (2005: 27)

Notations:

RB: Resource-based industries

LI: Labour-intensive industries

LT: Low-technology-intensive industries

MT: Medium technology-intensive industries

HT: High technology-intensive industries

Hence, for sometime a combination of import substitution, export promotion; infant industry support and import liberalization is at work for a mix of consumer goods, intermediate products and capital goods. Nevertheless, there is no “quick fix”. Industrialization is a long and tedious process. It took over 250 years in the case of Great Britain and over 200 years in the case of USA and Japan.

In short, the framework for trade and industrial policies which we have proposed is not a *récepti* for protection; on the contrary it is a means of industrialization before liberalizing trade completely. As F. List stated nearly two century ago: “..restrictions are but means, and liberty, in its proper sense is an end” (List, 1856:64). What he implies is: we should first aim at liberty from underdevelopment, then liberty from trade restriction.

Foreign direct Investment and capital flows: The experience of developing countries indicates that FDI can acts as an important channel for export. It may also make

a notable contribution to financing investment temporarily. Nonetheless its longer term contribution would be often limited in relation to total domestic investment and would involve little technological spill over (Gallagher and Zarsky, 2004, Huang, 2000, Grether, 1999, Buitelaar and Pérez, 2000, Moltimore, 2000 and Hanson 2001). The recent experience of China indicates that FDI could play an important role in industrialization, by contributing to the skill development of local manpower and expansion of domestic value added, if it is guided and targeted toward specific areas where foreign technology is most needed. In fact, China's experience, unlike Mexico's, would teach us that one could think of a process of export promotion through FDI that could eventually lead to import substitution if it is managed by the Government (Pizarro and Shafaeddin 2006). China started assembly operation in a number of industries, particularly electronics and telecommunication, based on imported input and gradually has been increasing domestic production and exports of components (Shafaeddin 2004b). For example, the share of components in exports of manufactured goods (excluding chemicals) of the country increased from about 6.4 per cent in 1992/1993 to 14.5 per cent in 1997/1998; and, 16.7 per cent in 2002/2003 after the accession to WTO. More importantly, the corresponding share of imports of components, which had increased continuously between 1992/1993 until 1997/1998 from 17.7 per cent to 23.2 per cent, first increased more slowly (reaching nearly 24 per cent in 2000/2001) and then declined to 22.3 per cent in 2002/2003 despite the accession to WTO.⁽²⁷⁾(Pizarro and Shafaeddin, *ibid*).

Finally, capital flows should be also controlled and managed. Otherwise, erratic movement in capital flows will lead to erratic changes in the flow of imports, the exchange rate, interest rate, production cost, and the price structure. The ensuing chaos and confusion makes the price structure and the exchange rate lose their function as a guide to investment for the expansion of output and export, thus leading to instability in all significant economic variables – including MVA and GDP. In particular, the instability in the flow of imports would also severely affect the growth of MVA and GDP.⁽²⁸⁾ In fact, in violently changing conditions and for large maladjustments, exchange rate devaluation may be harmful and would not be desirable (Arndt 1988 and Henderson 1948).

Limits of Devaluation: Devaluation of the local currency can temporarily provide some incentives for the production of tradeable goods, particularly exports.⁽²⁹⁾ It may also serve other purposes but, for a number of reasons, it is not necessarily the most desirable measure as a tool of industrial policy when it is used repeatedly. First, it is used as a tool of uniform (nominal) price changes over the whole range of tradeable goods rather than for selected products.⁽³⁰⁾ Supply response to prices is much lower when all the outputs of a sector are equally affected; it is stronger when relative prices increase only

for one good, or for a few goods (Streeten 1987). Even in industrialized countries there is some evidence that reallocation of resources from non-tradable to tradable sectors, and within tradables from importables to exportables (and in the latter from traditional to new products), might be more responsive to targeted incentives such as subsidies than to exchange rate adjustment (Schydrowsky 1982).

Second, the direct impact of devaluation on production cost in manufacturing products, particularly exports, is greater than on the other sectors of the economy because of their higher import intensity which has, in fact, increased significantly due to import liberalization. Industrial production in low income countries, in particular, is dependent on imports often for more than half its inputs. Therefore, in countries with a high ratio of imports to GDP, where manufactures are a small fraction of total exports and the manufacturing sector is highly import-intensive, incentives for exports of manufactures should be provided by other measures than devaluation. These may include e.g. subsidies, tax holidays and other fiscal and financial measures targeted to particular industries.

Further, the indirect contribution of devaluation on the cost of production in the manufacturing sector could be also higher than the other sectors if devaluation is accompanied by, or result in, a decline in productivity in this sector due to supply or demand factors or a combination of both. When devaluation involves contractionary effects,⁽³¹⁾ or is accompanied by contractionary macroeconomic management, the demand for domestically produced goods will be reduced. Similarly, export may not increase in response to devaluation when the structure of supply is rigid, when export supply is constrained by import compression or low quality and inappropriate product for foreign markets, or when there is the lack of marketing channels. Similarly, export may not increase much because of low price elasticity of demand or recession abroad. As a result, the combination of reduced effective domestic demand and little or no expansion in export may lead to lower capacity utilization and a decline in productivity. The neglect of the need for enhancing productivity and the overemphasis on devaluation has been important weaknesses of the neo-liberal reform programmes.

Third, devaluation could disrupt the economy through its inflationary impact, particularly in low-income countries. In fact, we have estimated that for every 10 per cent nominal devaluation during the period 1980–1987, in countries where per capita income was less than \$400 (in 1986), the real exchange rate declined only by 3 per cent within a year (Shafaeddin 1992; see also Edward and Wijnbergen 1989).⁽³²⁾

Fourth, devaluation, as well as import liberalization, tends to turn the domestic terms of trade in favour of primary commodities and against the manufacturing sector because of differences in the nature of price determination in the two sectors (Shafaeddin 1991)⁽³³⁾. While this may have a welcome positive effect on food production, it would seem that cash crops have benefited more than foods in many developing countries which have applied structural adjustment programmes (Stewart et al. 1992). Further, simultaneous currency devaluation by a large number of countries that produce the same commodity may result in terms-of-trade losses and decline in real wages due to the “fallacy of composition”.

Finally, the available empirical evidence indicates that other factors are more important in export competitiveness than exchange rate and costs and prices. For example, Fagerberg (1988) has shown that the contribution of cost competitiveness resulting from low wages was far less than technological competitiveness and the ability to compete on delivery (ibid.371). An empirical study by Kaldor (1978) for the period 1963–1975 indicates that countries with the fastest rate of growth of exports, e.g. Japan were those which at the same time experienced faster rates of increase in their relative unit labour cost (RULC) than others. On the basis of this study he also concluded that in the long run relative changes in exchange rate can be the result of competitiveness, rather than its cause. Thus, he added, relying on changes in RULC alone as a policy tool for improving competitiveness would be a simplistic view.⁽³⁴⁾ Amendola et al. (1993) reached similar results for the period 1967–1987.⁽³⁵⁾

In the long run, enhancing productivity rather than repeated nominal devaluation is a key to success in industrialization as mentioned earlier. Nonetheless, with the presence of strategically active international firms, the concept of productivity takes on a different meaning. It is not merely concerned with the volume of output produced. It involves creating value to the consumers through factors which contribute to the lowering of the price elasticity of demand. Such are, for example, a reputation for reliability, the supply of high quality products, timely and rapid deliveries, etc. Productivity enhancement requires continuous learning, skill development, innovation and upgrading.

The Role of “Non-price Factors” and Other Influences: Trade and industrial policy alone cannot succeed unless they are accompanied by a host of other factors. The process of industrialization requires what we call “COU-Ps-INs” (Shafaeddin, 2006.b) and development of agriculture. COU stands for: Create capacity, Operate it efficiently and Upgrade the industrial structure. To do so incentives is necessary but not sufficient. There is a need for a number of INs and Ps. The INs include Investment, Input, Infrastructure, not only transport and communication

but also other facilities such as marketing channels, distribution network etc.; Institutions, Innovation and Information (Streeten 1987). We use information here in its wide sense of the term which includes knowledge, science as well as market information which requires investment in human resources through education, skill and training. In fact, investment is essential for all other INs as well as for the expansion of supply capacity and creation of organizational capabilities and learning. Most of INs outlined here are elements of “non-price factors” mentioned earlier.

The Ps stands for Political stability, Predictability of policies, Participation by the citizens in the process of development and Pressure for performance as previously explained. There are also two INs which are to be avoided. These are instability in exchange rates and inflation which are largely related to agricultural development, devaluation of the currency, capital flows and macroeconomic policies.

Development of agriculture is essential, particularly during the early stages of industrialization, to increase the supply of food, where feasible, in order to contribute to the availability of wage goods and to ease the pressure on the balance of payments and ease inflationary tendencies. For the same reason, an ample availability of other basic consumer goods is also important, as availability of wage goods not only eases inflation, but also contributes to competitiveness of manufactured goods in the international market.

9. Some Concluding Remarks

The alternative approach we have proposed above looks idealistic as it is not in conformity with WTO rules, the “Washington Consensus” and the practices of IFIs and main bilateral donors in their dealings with developing countries. Nevertheless, the existence of such rules, Consensus and practices are not an argument against what is required for achieving industrialization and development. These rules are not God given; they can and need to be revised to become conducive to development according to the bottom-up approach we have suggested in this study.

Like Helleiner, “I am realistic enough to recognize that re-conceptualization of WTO as a development institution may not happen quickly (although I am fully confident that it eventually [my emphasis] will).” It will take time (Helleiner 2000:19). We are also well aware that such a reconceptualization will involve hard bargaining since experience has shown that developed countries will not give in purely on moral grounds (Shafaeddin 1984). Nevertheless, two points are worth emphasizing. One is the realization by all parties involve, particularly

developing countries, that there is a need for reconceptualization. Fortunately there are signs that the dominant neo-liberal economic philosophy propagated by Washington Consensus is shifting in favour of a development oriented philosophy. The failure of the American States in Buenos Aires in late October-early November 2005 to agree on American Free Trade Area of America (FTAA) proposed initially by the USA in 1994, is one example. The difficulties encountered in international trade negotiations since the WTO meeting in Seattle is another. It has become evident that developing countries do not bow to pressure easily any more. They are better informed and better prepared than they were during the Uruguay Round although they continue to be bullied by developed countries. Further, their experience of trade liberalization during the last two decades must have been influential in removing their illusions about benefits of universal and across-the-board trade liberalization.

The second point is that developing countries do have some bargaining power in international trade. After all they absorb about 23 per cent of exports of developed countries (when intra-trade of the EU is excluded, the figure reaches well over 30 per cent).⁽³⁶⁾ The question is how to mobilize these bargaining chips and strengthen their negotiation position (Shafaeddin 1984).

A detailed redesign of WTO rules and other international trade and industrial policies relevant to developing countries⁽³⁷⁾ has to be a subject of a separate paper. Nevertheless, a couple of general points are worth mentioning with respect to a required framework for an international trade policy. First of all, the whole philosophy behind WTO rules, as well as practices of IFIs, needs change. It is not "policy space" as such within the existing framework of WTO rules that developing countries require. What is needed is a totally different approach and framework which allows for a mixed, flexible and dynamic trade policy with a broader dimension of space and time rather than one which is a one-size-for-all and for-all-time. This dimension of space would imply that trade policy should allow for different levels of development and industrialization of the various countries at each point in time as a rule and not as exceptions to the rules, i.e. not in the way it is sometimes requested by developing countries within the context of the so-called "special and differential treatment". For each country at each point in time some industries may be protected while some others may be subject to free trade or trade liberalization. The dimension of time would imply that the international rules should allow for dynamic trade policy of each developing country as the country develops leading ultimately to free trade on the line we have explained in this study.

Second, export performance requirements and domestic content clauses should be allowed in the relation between host countries and TNCs.

Third, while some protection of intellectual property is needed to encourage invention and innovation, the TRIPs agreement should be changed in order not to create severe barriers to the diffusion of new technology to the firms of developing countries because these barriers could render industrial deepening and upgrading difficult.

In short, the international community should aim at achieving more equitable international economic systems and policies in which the needs and different situation of countries at different levels and various stages of development are taken into full consideration.

Footnotes

- ⁽¹⁾The share of parts and components in total exports of manufactured goods increased from 13.2 per cent for the period 1981–90 to 18.8 for 1990–2000 (World Bank, 2003.c):55; table 2.2.
- ⁽²⁾In 2001 the share of intra-firms trade in total exports of USA and Japan was 37 per cent and 31 per cent, respectively.
- ⁽³⁾One should add also the higher risks and costs related to instability in exchange rates of main international currencies.
- ⁽⁴⁾Another source of external economy is the sheer expansion of the industrial sector as a whole i.e. the Marshallian external economy. Nevertheless, this sort of external economies achieves only ex-post as the industrial sector develops.
- ⁽⁵⁾Some exceptional limitation on commitments in particular service activities can be acceptable on the basis of a clear list. For more details on the three Agreements mentioned above see Wade (2005).
- ⁽⁶⁾If, however, subsidy is provided to an enterprise without being made legally contingent upon export performance, it would not be prohibited: "The mere fact that a subsidy is granted to enterprises which export shall not for that reason alone be considered to be an export subsidy..." (ASCM, para. 3.1. a, footnote 4).
- ⁽⁷⁾In addition the use of export subsidies is allowed for countries with per capita incomes below \$1000.
- ⁽⁸⁾All fifty American states in the USA use subsidies for regional development in order to attract industry (Amsden; 2005: 221). In this case it is definitely against the WTO rules as all states can not be disadvantaged!
- ⁽⁹⁾See, for example, the text of the G-20 Ministerial Declaration Adopted on 19 March 2005 at the conclusion of the Ministerial meeting of G-20 in New Delhi, 18–19 March 2005: <http://www.twinside.org.sg/title2/twninfo190.htm>.
- ⁽¹⁰⁾The validity clause related to technology which was agreed upon for a trial period of five Years was not however extended.
- ⁽¹¹⁾In addition, countries which are involved in bilateral trade agreements with the USA and EU are subject to tougher TRIPs' standards (Wade, 2005:83–4).
- ⁽¹²⁾See Khor and Yen, 2005:10–12 for details.
- ⁽¹³⁾Five per cent of tariff line can be excepted provided the related imports do not exceed

5 per cent of the total value of member's imports (para 8, annex B of the WTO July Package).

⁽¹⁴⁾The Swiss formula is: $T = (a \cdot t) / (a + t)$ and $R = t / (a + t)$ where T and t and a are the new and initial tariff rates and constant coefficient, respectively, and R is the rate of tariff reduction (See WTO, 2003:2).

⁽¹⁵⁾Note that the concept of "market inadequacy" is different from "market failure". (see Arndt 1988).

⁽¹⁶⁾According to the dynamic version of the theory, first introduced by H. Johnson, as production and exports of labour intensive products increases, wages will go up and the country will lose comparative advantage in labour intensive products and produce capital intensive goods. The example of East Asia is often given for such a development! The theory however assumes that things happen automatically; it is not clear how the losses of advantage in labour intensive products should imply gains in advantage in capital intensive goods and how the adjustment takes place for creation of dynamic advantage.

⁽¹⁷⁾For details see Shafaeddin (2005.a:118–133).

⁽¹⁸⁾Note that during this period a number of the countries of the region suffered from the Middle East wars directly or indirectly.

⁽¹⁹⁾The USA currently has a number of bilateral free trade agreements with other countries and is in the process of negotiating a number of others.

⁽²⁰⁾For details see Chang, 2005.bⁱⁱ:30–34)

⁽²¹⁾See also various literature by the World Bank and IMF particularly World Bank (1987) and (1993). For a brief survey see Shafaeddin (2006.a).

⁽²²⁾For a Survey see Shafaeddin, 2006.a).

⁽²³⁾Alfred Marshall did not object to protection of infant industries, but he was not as supportive as Mill (see Shafaeddin, 2005.b for more details.

⁽²⁴⁾See e.g. Nelson and Winter (1982), Noland and Pack (2003), Lundvall (2004), Westphal (2000), Lall (1996) and Lall (2004).

⁽²⁵⁾Further, if developed countries have recently discovered that protection and industrial policy is not justified, how could they explain heavy protection of their agriculture? Similarly how could they explain protection of patents for their new products/technologies for as long as 20 years through TRIPS while denying developing countries temporary protection of their new-infant-industries, or export products?

⁽²⁶⁾See Akamatsu (1961), also Kasahara (2004) for a survey.

⁽²⁷⁾Based on the UN COMTRADE database.

⁽²⁸⁾Helleiner (1986) has shown that in the case of African countries there was a strong negative relationship between instability in the volume of imports and GDP growth rates.

⁽²⁹⁾For example, Bautista (1982) examining a sample of developing countries for the period 1973–1979 has shown that currency depreciation, both small and large, did not lead to a permanent improvement in export competitiveness.

⁽³⁰⁾Nevertheless, for a given rate of nominal devaluation, the implied real exchange rate depreciation will be different in different sectors, industries and firms as their import intensities are different. The higher the import intensity, the higher the increase in the cost of production for a given rate of nominal devaluation, thus the lower the real exchange rate depreciation achieved as a result of a given rate of nominal devaluation. Usually the import intensity for manufacturing sector is higher than that for other sectors; within the manufacturing sector, it varies from one industry to another and it is higher for modern industries and large firms and within these industries it is higher for export production than for the home market. Further, for each industry and firm the effective exchange rate could be yet different to the extent that the directions of trade of firms are different. Hence, devaluation, as it is claimed, cannot even work as a uniform price incentive. To achieve uniform effective exchange rate, a complex nominal rate structure would be needed.

⁽³¹⁾ A study by Edward and Wijnbergen (1989:1526–1528) indicates that the contractionary impact of devaluation is important.

⁽³²⁾ Edward and Wijnbergen (1989) have shown, on the basis of a survey of the literature, that nominal devaluation

leads to relatively high real depreciation temporarily, but the effect of nominal devaluation on real exchange

rate erodes slowly taking between 8 to 16 quarters depending on the type of macroeconomic policies undertaken.

⁽³³⁾ The price of primary commodities is demand-determined, but that of manufactured goods is normally cost-determined. As a result, devaluation by a small commodity producer changes the domestic price of the product without influencing its international price. By contrast, devaluation by the same country changes its international (export) price of manufactured goods but does not change its domestic price immediately. Of course, the impact of the devaluation on domestic price due to changes in the price of imported input etc will ultimately follow as explained in the text.

⁽³⁴⁾ The simultaneous increase in RULC and market share is referred to as the Kaldor paradox in the literature.

⁽³⁵⁾ See Fetherston et al. (1977) and Kellman (1983) for similar views expressed for the period 1970s and early-1980s. See also Amable and Verspagen (1995).

⁽³⁶⁾ Based on UN, COMTRADE database.

⁽³⁷⁾ For a detailed list of restrictions imposed by international rules and bilateral trade relationships on trade and industrial policies of developing countries see, e.g. Rodrik (2004), table 2.

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Inflation Volatility, Financial Institutions and Sovereign Debt Rating

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Abstract

This study analyzes the impact of reducing inflation volatility versus the impact of improving financial institutions with regard to the country's sovereign debt rating. An empirical analysis of the impact of inflation, inflation volatility and financial institutions on a country's sovereign debt rating is undertaken using a sample of 37 developed and developing countries over the period 1989–2006. Using the principal component analysis, the study estimates a non-linear rating regression that interacts inflation volatility with an index for financial institutions. The results suggest that reducing inflation volatility can have a statistically and economically significant positive effect on a country's sovereign debt rating as compared to the level of inflation. The results also show that improving financial institutions has a statistically and economically significant positive direct and indirect effect on a country's sovereign debt rating. A decrease of one standard deviation in inflation volatility leads to an increase of about two classifications in a country's sovereign debt rating. This increase in sovereign debt rating leads to a reduction in the average annual long-term bond yield by about 4.4%. On the other hand, an increase of one standard deviation in the financial institutions' index leads to an increase in the ratings class of about one class, which in turn reduces the average annual long-term bond yield by about 4.27%.

التقلبات التضخمية، المؤسسات المالية، وتقييم الديون السيادية

نهى عماره

ملخص

تحلل هذه الورقة أثر الحد من تقلب التضخم مقابل أثر تحسين المؤسسات المالية في ما يتعلق بتقييم الديون السيادية في الدول. وتقدم تحليلاً تجريبياً على أثر التضخم وتقلبات التضخم، والمؤسسات المالية على تقييم الديون السيادية لاقتصاديات عينة من 37 دولة متقدمة ونامية على مدى الفترة 1989-2006. تشير النتائج إلى أن الحد من تقلب معدل التضخم يمكن أن يكون له أثر إيجابي إحصائي واقتصادي كبير على تقييم الديون السيادية للدول مقارنة بمستوى التضخم. تظهر النتائج أيضاً أن تحسين المؤسسات المالية له أثر إحصائي واقتصادي هام على تقييم الديون السيادية للدولة. وتبين النتائج أن انخفاضاً قدرة انحراف معياري لتقلبات التضخم يؤدي إلى زيادة التصنيفات في تقييم الديون السيادية للدولة بفئتين. تؤدي هذه الزيادة في تقييم الديون السيادية إلى انخفاض في المتوسط السنوي لعائد السندات الطويلة الأجل بحوالي 4.4 في المائة. من ناحية أخرى، تؤدي زيادة قدرها واحد في الانحراف المعياري لمؤشر المؤسسات المالية إلى زيادة التصنيفات في تقييم الديون السيادية للدولة بفئة واحدة تقريبا، الأمر الذي يقلل بدوره من المتوسط السنوي لعائد السندات الطويلة الأجل بحوالي 4.27 في المائة.

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1. Introduction

This paper attempts to investigate the impact of inflation volatility versus financial institutions on a country's sovereign debt rating. Any decrease in inflation volatility or any improvement in institutions tends to lead to a higher rating classification in a developing economy. As the rating increases, the cost of borrowing decreases and the economy can make use of cheap credit. Such an economy accumulates more capital and, therefore, its output increases.

This study contributes to the sovereign debt rating literature by demonstrating that the negative impacts of high inflation volatility influence a country's sovereign debt rating more than the negative impacts of high levels of inflation. Once the volatility of inflation is included in the regression, the level of inflation turns insignificant. In addition, the study shows that improving financial institutions has a statistically significant positive direct and indirect effect on sovereign debt rating; the indirect effect occurs through a positive interaction with inflation volatility which helps to reduce the negative impacts of inflation volatility on the sovereign debt rating.

Despite the importance of inflation volatility and financial institutions to sovereign debt rating, the economic literature on the determinants of sovereign debt rating has mostly ignored the role played by these two factors. The literature on sovereign debt rating has mainly categorized the sovereign debt rating determinants into four main groups: (a) liquidity and solvency variables; (b) macroeconomic variables; (c) external shock variables; and (d) dummy variables. The liquidity and solvency variables usually include ratios of debt to GDP, international reserves to GDP, debt service to exports and the current account to GDP. The macroeconomic variables usually include real growth, inflation rate, fiscal balance and real exchange rate; the external shock variables usually include international interest rates; and finally, the dummy variables usually include those variables that reflect economic crises and other structural problems.⁽¹⁾

For instance, using an ordinary least squares (OLS) analysis on pooled data for 35 developed and developing countries, Cantor and Packer (1996) studied the effect of the level of inflation in addition to other macroeconomic variables and a dummy variable for the country's default history. Their study finds that both inflation and the ratio of foreign currency external debt to exports have a negative statistical significant effect on rating while both per capita income and GDP growth have a positive significant effect.

Using a stepwise procedure, Haqueet al (1998) tested the importance of macroeconomic determinants versus political determinants in affecting a country's credit worthiness. The study finds that inflation has a statistically significant negative impact on the country's credit worthiness, using both the credit worthiness rating provided by institutional investors and Euro money.

Afonso (2003) applied the same methodology as in Cantor and Packer (1996) to a sample of 81 developed and developing countries, except that he used both the linear and logistic transformation of the rating. In line with Cantor and Packer (op. cit.), the study shows a statistically significant negative effect of inflation on sovereign debt rating.

Since the determinants of sovereign debt rating tend to be similar to those of the spreads, being that both are measures of risk, the literature on the spreads is also relevant. For instance Min (1998) analyzed the determinants of yield spread of US dollar-denominated fixed income securities using panel least squares methodology on 11 countries over the period 1991–1995. The results emphasize the importance of macroeconomic fundamentals, including inflation – if a country were to gain access to the international bond market. Similarly, Eichengreen and Mody (1998) and Kamin and Kleist (1999) stress the importance of “market sentiment,” in addition to country-specific fundamentals and external factors, to explain variations in sovereign spreads in emerging markets.

Using a panel least squares regression estimation for a sample of 16 emerging countries, Rowland and Torres (2004) studied the macroeconomic determinants of spread for the US Treasuries of emerging market sovereign issues and the issuers' credit worthiness based on the institutional investor credit worthiness index. Although the authors used the same macroeconomic determinants for both the spread and the credit worthiness regressions, their results show that inflation significantly affects the credit worthiness of the issuing country, but it does not have a significant effect on the spread.

Bissoondoyal-Bheenick, Brooks, and Yip (2005) made a study of the determinants of sovereign debt rating using two different approaches: (a) ordered probit; and (b) case-based reasoning. Their results show that inflation and GDP appear to be the most significant macroeconomic variables, following the significance of the proxy for technological development. Similarly, using an OLS regression framework, Rowland (2005) finds that inflation is one of six macroeconomic variables that significantly affect credit ratings, credit worthiness and spreads.

Finally and more recently, using panel regression estimation for 27 emerging countries, Remolona, Santigna, and Wub (2007) find that inflation is one among many other variables that have a significant effect on their constructed measure of sovereign default risk which they call Rating-Implied Expected Loss (RIEL).⁽²⁾ The results are confirmed with another measure of country risk, namely average agency rating.

Unfortunately, the literature on the impact of macroeconomic policy volatility in general, and of inflation volatility in particular, on sovereign debt rating, is quite sparse. For instance, Eaton and Gersovitz (1981) investigate the impact of macroeconomic volatility on sovereign default risk. Their study concludes that in the presence of unexpected adverse shocks, a positive relation exists between the volatility of macroeconomic aggregates and default.

Using the logit estimation technique, Catao and Bennett (2002) tested whether macroeconomic volatility helps explain the variation in sovereign default probability. Their paper distinguishes between externally induced volatility and policy-induced volatility. Using a sample of 25 emerging economies over the period 1970–2001, they conclude that there is a positive relation between macroeconomic volatility and sovereign default.

Despite the growing body of literature on the importance of institutions to a country's long-term economic growth, to the best of our knowledge, there are only two studies on the impact of institutions on sovereign debt rating. Using the Two-Stage Least Squares (TSLS) on a sample of 86 developed and emerging countries, Butler and Fauver (2006) investigated the effect of legal and political institutions, in addition to macroeconomic variables and the level of inflation on the sovereign debt rating measured by the institutional investor.⁽³⁾ They report that inflation, besides other macroeconomic variables, has a statistically significant effect on rating. Adding a composite index representing the effect of the legal environment, the study finds that legal environment is the most influential variable in their regression.

More recently using linear and ordered response models, Afonso, Gomes, and Rother (2011) studied the short- and long-run determinants of sovereign debt ratings from three main rating agencies, for the period 1995–2005. Their study shows that short-run determinants include the changes in GDP per capita, GDP growth, government debt and government balance. On the other hand, long-run determinants include government effectiveness, external debt, foreign reserves and default history.

Against the above background, using a sample of 37 developed and developing countries over the period 1989–2006, this study extends the previous literature on sovereign rating in several ways. Firstly, it empirically tests the role of inflation volatility alongside the role of the inflation level to explain variations in the sovereign debt rating. Secondly, it empirically tests the direct and the indirect role of financial institutions in determining sovereign debt rating. Thirdly, it computes the total effect of a one standard deviation reduction in inflation volatility, as compared to the total effect of a one standard deviation improvement in the financial institutions' index. Finally, this study links the changes in sovereign debt rating to the changes in annual long-term average annual bond yield.

2. Empirical Specification

The Two Stage Least Square (TSLS) estimation methodology with regional dummies and period fixed effects is used to estimate the determinants of sovereign debt rating for the sample of 37 developed and developing countries over the period 1989–2006. Using three-year period averages, there are six periods to work with.

Equation 1 represents the base model of the estimation:

$$Sov_{i,t} = \beta_0 + \beta_1 Sov_{i,t-\nu} + \beta_2 CV_{i,t} + \beta_3 Infol_{i,t} + d_t + \varepsilon_{i,t} \quad (\text{Equation 1})$$

The subscripts i and t represent the country and the time period, respectively. The variable $Sov_{i,t}$ is the Moody's sovereign debt rating which refers to the risk level of the investing environment of a national government. The riskier the investing environment of a country, the lower is the sovereign debt rating. The set of explanatory variables consists of $Sov_{i,t-\nu}$, which represents the first lag of the sovereign debt rating, and $CV_{i,t}$ which represents the set of control variables that are measured as an average over period ν , where $\nu = 3$. This set of control variables includes the average level of inflation, the average ratio of private domestic credit to GDP, the average ratio of per capita GDP and three regional dummies for Latin American countries, Asian countries and African and Middle Eastern countries: D_L , D_A , and D_{AM} respectively⁽⁴⁾. $Infol_{i,t}$ represents the average log of inflation volatility over the three-year period. Finally, d_t represents the time period dummies.

It is worth noting that additional variables were considered for the model, but were excluded due to their statistically insignificant coefficients. These variables included

the current account as a percentage of GDP; the log of the nominal GDP; unemployment as a percentage of the labor force; and the total reserves minus gold. Their statistical insignificance is probably due to the high correlation between the variables. For example, the current account is highly correlated with the total reserves minus gold. Likewise, the nominal GDP is highly correlated with the per capita GDP. Equation 1 constitutes the base of a parsimonious model that estimates the relations of interest for the purposes of this study.

The base model is expanded to include a term for the interaction of inflation volatility with the Chinn and Ito (2005) index of financial institutions called LEGAL2. The index is estimated using a principal component analysis of four indices: (a) protection of creditors' rights; (b) protection of shareholders' rights; (c) transparency of companies' accounts; and (d) enforcement of laws. Data on these four indices are time invariant and are collected from La Porta et al. (1998).

The objective of including the interaction term is to estimate the indirect effect of financial institutions on the relation between inflation volatility and sovereign debt rating. The interaction term is estimated by adding $\beta_4(L2_i * Infvol)$ to the right-hand side of Equation 1 where $L2_i$ represents the LEGAL2 Index for country i .

After adding the interaction term to Equation 1, the new model is shown below:

$$Sov_{i,t} = \beta_0 + \beta_1 Sov_{i,t-v} + \beta_2 CV_{i,t} + \beta_3 Infvol_{i,t} + \beta_4 (L2_i * Infvol_{i,t}) + d_t + \varepsilon_{i,t} \quad (\text{Equation 2})$$

It is important to note that the estimation of Equation 2 is crucial to computing the total effect of inflation volatility on sovereign debt rating. This total effect is computed by adding up the estimated coefficient of inflation volatility $\hat{\beta}_3$ to the estimated coefficient of the interaction term $\hat{\beta}_4$ where this later coefficient is multiplied by the $L2_i$ index. Thus, the total effect of inflation volatility is equal to $\hat{\beta}_3 + (\hat{\beta}_4 * L2_i)$ in Equation 2.

Additionally, when Equation 2 is augmented by $\beta_4(L2_i * Infvol_{i,t})$ to represent the indirect effect of financial institutions, the variable $L2_i$, or the direct effect of financial institutions, is included in the set of instruments of the TSLS.

Next, the total effect of a one standard deviation change in the LEGAL2 Index is computed by adding $L2_i$ to Equation 2 as shown in Equation 3. The total effect of LEGAL2 Index is calculated as $(\hat{\beta}_4 * Infvol_{i,t} + \hat{\beta}_5)$.

$$Sov_{i,t} = \beta_0 + \beta_1 Sov_{i,t-v} + \beta_2 CV_{i,t} + \beta_3 Infvol_{i,t} + \beta_4 (L2_i * Infvol_{i,t}) + \beta_5 L2_i + d_t + \varepsilon_{i,t}$$

(Equation 3)

3. Data

The data set is constructed as a panel of country observations from the World Development Indicators of the World Bank's data base. The data set includes 37 developed and developing countries over the period 1989–2006. The data set is averaged into three-years time periods and thus, is available for six-time series observations for each country. The list of countries included in the sample is reported in Table 1.

The data on the sovereign debt rating, or the dependent variable, is collected from the Moody's sovereign debt ratings.⁽⁵⁾ It is worthwhile to note that there are two other alternative sovereign debt rating measures provided by Standard and Poor (S&P) and Fitch, Inc. as revealed in Gaillard (2009). These three measures are very similar in terms of their rating scale, where both Moody's and S&P's have 23 rating categories and Fitch's has 24, with a higher scale, implying higher values.

Following the literature that started with Horrigan (1966) through Billet (1996), Cantor and Packer (1996) and more recently, Gaillard (2009), this paper assigns numerical values to the Moody's letter ratings as follows: C = 1, Ca = 2, and so on through Aaa = 23. A complete list of the ratings and the assigned numerical values is available in Table 13 of the Appendix.

The sovereign debt rating indicates the capacity and willingness of a government to repay back its obligations in full and on time. The Moody's rating that relates to foreign currency, focuses on measuring the expected credit loss which depends on the probability of default and the expected recovery rate after the default has occurred.⁽⁶⁾ More specifically, the sovereign debt rating for a given government is defined as the risk facing an investor who holds debt securities issued by that government which in turn reflects its credit worthiness.

Table 1: List of Countries Included in the Sample

1	Argentina (Arg)	20	Korea, Rep. (Kor)
2	Australia (Ausl)	21	Malaysia (Mal)
3	Austria (Aus)	22	Mexico (Mex)
4	Belgium (Bel)	23	Netherlands (Neth)
5	Brazil (Bra)	24	New Zealand (N.Z)
6	Canada (Can)	25	Norway (Nor)
7	Chile (Chi)	26	Peru (Per)
8	Colombia (Col)	27	Portugal (Por)
9	Denmark (Den)	28	Singapore (Sin)
10	Egypt (Egy)	29	South Africa (SA)
11	Finland (Fin)	30	Spain (Spa)
12	France (Fra)	31	Sweden (Swe)
13	Germany (Ger)	32	Switzerland (Swi)
14	Greece (Gre)	33	Thailand (Tha)
15	Hong Kong (HK)	34	Turkey (Tur)
16	India (Ind)	35	United Kingdom (UK)
17	Israel (Isr)	36	United States (US)
18	Italy (Ita)	37	Uruguay (Uru)
19	Japan (Jap)		

N.B. Letters in parentheses represent the abbreviation used for each country.

Moreover, as noted in the Moody's guide provided by Moody's Investor Service–Global Credit Research of Cailleteau, Cipriani, Lindow, and Byrne (2008), that despite the fact that assigning a rating classification to each country depends on a group of economic, financial, social and political factors, the rating is “strictly constructed as assessing credit risk. Therefore, one cannot directly infer general assessments about a country's economic prosperity, dynamism, competitiveness or governance from Moody's government bond ratings.”

Table 2 provides definitions on the data set used in this study. Inflation rate is computed as the average of the growth of the consumer price index over each of the six periods. Additionally, the domestic credit data is calculated as the average of the domestic credit to the private sector as a percentage of GDP over each of the six periods. Similarly, the per capita GDP is computed as the average of GDP per capita (constant \$2000) over each of the six periods.

Table 2: Definition of Variables

Variable Name	Definition	Unit of Measurement	Data Source
Sovereign Debt Rating	Ratings assigned by Moody's	Aaa=23, Aa1=22.....,C=1	Moody's
Inflation	Percentage change in consumer price index	%	World Development Indicators
InflationVolatility	Log of the square root of the conditional variance series of inflation calculated by GARCH(1,1) model	%	World Development Indicators
Per capita GDP	GDP per capita (constant 2000 US\$)	US\$ (thousands)	World Development Indicators
Domestic Credit	Domestic credit to private sector as a percentage of GDP	%	World Development Indicators
LEGAL2 Index	Following Chinn and Ito (2005), LEGAL2 is the principal component of Creditors' rights, Shareholders' rights, Accounts, and Enforcement indices. It depicts the overall development of the legal system governing financial transactions.	Units within the interval -2.90 and 1.83	La Porta et al. (1998)
Creditors' Rights Index	It is composed of the variables that incorporate the automatic stay proposition on the assets of a failing firm, the continuation of the old managers in a reorganization process, restrictions for going into reorganization and the seniority system of secured creditors.	Units within the interval 0 to 4	La Porta et al. (1998)
Shareholders' Rights Index	This index is composed of the sum of the one share-one-vote, proxy by mail, shares not blocked before meeting, cumulative voting/proportional presentation, oppressed minorities, preemptive right to new issues and percentage of share capital to call an emergency shareholder meeting less than 10%. ⁽⁷⁾	Units within the interval 0.05 to 5.10	La Porta et al. (1998)
Accounts Index	This index reflects the transparency and comprehensiveness of companies' accounting reports	Units within the interval 24 to 83.	La Porta et al. (1998)
Enforcement Index	It consists of the average of the efficiency of judicial system, rule of law, risk of expropriation and risk of contract repudiation.	Units within the interval 4.87 to 9.99	La Porta et al. (1998)

Inflation volatility is calculated as the log of the square root of the conditional variance series of inflation calculated by GARCH(1,1) model. Specifically, an inflation

AR(1) model is first estimated as $\text{inf}_t = \gamma_0 + \gamma_1 \text{inf}_{t-1} + \varepsilon_t$ where inf_t refers to inflation and ε_t denotes the error term. The error term is defined as $\varepsilon_t = \sigma_t z_t$, where z_t is $N(0,1)$ and σ_t^2 takes the following form $\sigma_t^2 = \alpha_0 + \alpha_1 \varepsilon_{t-1}^2 + \beta_1 \sigma_{t-1}^2$ with $\alpha_0 \neq 0, \alpha_1 \geq 0$, and $\beta_1 \geq 0$. Inflation volatility is thus computed as $\sqrt{\sigma_t^2} = \sqrt{\alpha_0 + \alpha_1 \varepsilon_{t-1}^2 + \beta_1 \sigma_{t-1}^2}$.

Clark (1997) notes that measuring inflation volatility as the coefficient of variation of the level of inflation provides an assurance that the level of inflation is not correlated with its variance and hence, does not pose any imperfect multicollinearity issues when both the level and volatility of inflation are included.

Inflation volatility series is computed from the time series data of each country separately over the period 1989 – 2006. It is then averaged over each of the six periods as done with the other regressands. For three countries in the sample – Argentina, Brazil and Uruguay – the data of inflation volatility far exceed the rest in the sample. To deal with this problem, a non-subjective criterion is used such that the top 10% of the volatility distribution is discarded. Hence, the data on the log of inflation volatility falls within an interval of $[-0.98, 1.3]$.

Concerning the LEGAL2 Index, it varies only across countries but not over time. It ranges within the interval $[-2.90, 1.83]$ where the higher the index is, the more developed the financial institutions. The LEGAL2 Index consists of four components: (a) protection of creditors' rights; (b) protection of shareholders' rights; (c) transparency of companies accounts; and (d) enforcement of laws.

The Index of Creditors' Rights is composed of the variables that incorporate the automatic stay proposition on the assets of a failing firm, the continuation of the old managers in a reorganization process, restrictions for going into reorganization and the seniority system of secured creditors. This index ranges from a minimum of zero to a maximum of 4, where more protection for creditors implies a higher index.

The degree of Law Enforcement Index consists of the average of the efficiency of judicial system, rule of law, risk of expropriation and risk of contract repudiation. This index ranges from a minimum of 4.87 to a maximum of 9.99, where a higher index implies a stricter system of law enforcement.

The Index of Shareholder's Rights is composed of the sum of the one-share-one-vote, proxy by mail, shares not blocked before meeting, cumulative voting/proportional presentation, oppressed minorities, preemptive right to new issues and percentage of

share capital to call an emergency shareholder meeting less than 10%. This sub-index ranges from a minimum of 0.05 to a maximum of 5.10, where the higher the index is, the better is the shareholders' protection.

Finally the Account's Index measures the transparency and comprehensiveness of companies' accounting reports. This index ranges from a minimum of 24 to a maximum of 83. Again a higher index implies more transparency and better comprehensiveness of the reports.

The set of regional dummies includes: (a) dummy for Latin American countries; (b) dummy for OECD countries; (c) dummy for Asian countries; and (d) dummy for the African and the Middle Eastern countries. The classification of countries among these four regions appears in Table 11 of the Appendix.

Before proceeding into more details on these regressors, it is helpful to have a quick description of the relation between each variable and a country's sovereign debt rating:

- Inflation: the level of inflation acts as a proxy for the quality of the economic management of the country. It is an indicator of the government's control over fiscal and monetary policy. High inflation is expected to have a negative impact on sovereign debt rating.
- Inflation Volatility: A high variation in the level of inflation creates an environment of uncertainty in the economy which is expected to have an additional impact on the credit worthiness of a country. High inflation volatility is expected to add to the negative effect of high inflation on sovereign debt rating.
- Per Capita Income: The greater the per capita income of a country, the greater is its potential tax base which increases the country's ability to repay its debts. A high per capita income is expected to lead to a high sovereign debt rating.
- Domestic Credit: A high ratio of domestic credit to the private sector as a ratio of GDP indicates the government's policy towards encouraging the engagement of the private sector into the economy. This variable can serve as a proxy of financial deepening of the economy. A high ratio of domestic credit to GDP is expected to have a positive impact on sovereign debt rating.
- LEGAL2 Index: As defined by Chinn and Ito (2005), this index pertains to the level of development of legal systems and institutions closely related to financial transactions. This variable can serve as a proxy for a country's financial institutions –where better financial institutions stem from better protection of creditors' rights and shareholders' rights, better law enforcement and more transparency

in the companies' accounts. All of these components combined, are expected to encourage national and international investments, which leads to higher economic growth. Higher economic growth increases the country's ability to pay its existing debt burdens which would consequently lead to higher sovereign debt rating.

4. Estimation Results

To avoid the endogeneity problem that might arise between the determinants of the sovereign debt rating, the TSLS methodology is used. Before performing such a methodology, each series is first tested for stationarity using the panel unit root test developed by Levin, Lin and Chu (2002) with a lag selection based on the Schwarz Information Criterion (SIC). Assuming common unit root process, the results of the test suggest a rejection of a unit root for each of Moody's rating, inflation, inflation volatility, per capita GDP, and domestic credit as a percent of GDP.⁽⁸⁾

After ensuring that the independent variables of the model pass the unit root test, the TSLS model is estimated under eight specifications of the independent variables. In each specification, the dependent variable is sovereign debt rating. The focus is on the partial correlations between sovereign debt rating and the measures of inflation volatility, financial institutions and their interaction term.

To estimate the model using TSLS, the correct set of instruments must first pass the instrument relevance test, as well as the instrument exogeneity test. For the former test, the F-statistic for the regressions in which each regressor is regressed on the whole set of instruments including regional and period dummies must exceed 10. This implies that at most, the bias of the TSLS is 10% of the bias of the OLS estimator.

For the instrument exogeneity test, or overidentification test, the hypothesis that the instruments are exogenous to the error term is tested. The hypothesis is rejected if the calculated J-statistic⁽⁹⁾ exceeds a chi-squared with $m - k$ restrictions at a chosen significant level, where m and k refer to the number of instruments and the number of endogenous regressors respectively. In addition, the Sargan p-value is calculated.

The set of endogenous variables includes the level of inflation, volatility of inflation, domestic credit as a ratio to GDP, and GDP per capita. The set of exogenous variables, which are not correlated with the error term, include the constant term, the first lag of the sovereign debt rating, the LEGAL2 Index, the period fixed effects and the regional dummies.

The set of instruments consists of all the exogenous variables in the model plus the first lag for each of the endogenous variables, the average value taken by each of the endogenous variables in the major trading partners for each country, longitudes, latitudes, and a dummy for English origin. The English origin dummy takes 1 if the legal origin of the country's law is English common law and 0 otherwise.⁽¹⁰⁾

This set of instrument passed both the relevance test and the exogeneity test. For the former test, each one of the endogenous regressors is regressed in a turn on the whole set of instruments. Based on the values of the first stage F-statistic (shown in Table 3) the set of instruments is relevant. In addition, the p-values of the Sargan test of all the regressions (shown in Table 4) indicate that the hypothesis of over-identifying moment conditions cannot be rejected, and hence the instruments are exogenous to the error term.

Table 3: First Stage F-statistic of the TSLS

Endogenous Variable	First Stage F-Statistic
Inflation	47.71
Inflation Volatility	79.93
Domestic Credit	58.38
Per Capita GDP	4136.77

Table 4 shows the results of estimating eight regressions. Column 1 shows the results of the sovereign regression with only an AR(1) term in addition to regional dummies. The sign and significance of the lagged rating is expected. When the average of the period level of inflation is added to the regression (Column 2), the coefficient of the lagged rating remains significant. The coefficient of inflation is also significant and the magnitude of this coefficient indicates that a one percent increase in the average over the period level of inflation corresponds to about 0.06 drop in sovereign debt rating which is a minimal impact.

Adding the average over the period inflation volatility to the regression (Column 3), the coefficient of the lagged rating remains significant. Interestingly, once the inflation volatility is included in the regression, the coefficient of the average over the period inflation turns insignificant and its magnitude decreases by almost 50%. The coefficient of inflation volatility on the other hand, is significant and with the expected negative sign and magnitude. A one percent increase in the average over the period of inflation volatility corresponds to about a one classification decrease in the sovereign debt rating.⁽¹¹⁾

Table 4: Sovereign Debt Rating and Inflation Volatility
 Cross-country panel data consist of non-overlapping 3-year
 averages spanning 1989–2006.

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Constant	5.63*** (1.24)	7.79*** (2.19)	8.59*** (2.03)	8.33*** (1.96)	-1.23 (3.02)	2.57 (3.36)	0.92 (2.84)	2.22 (3.48)
Lagged rating	0.73*** (0.06)	0.64*** (0.96)	0.61*** (0.90)	0.56*** (0.1)	0.44*** (0.09)	0.42*** (0.10)	0.44*** (0.09)	0.43*** (0.09)
Inflation		-0.06* (0.035)	-0.03 (0.041)	-0.04 (0.04)	-0.03 (0.03)	-0.03 (0.03)	-0.001 (0.03)	-0.01 (0.04)
Inflation volatility			-1.48* (0.87)	-1.17 (0.85)	-1.82** (0.81)	-1.60** (0.76)	-1.58*** (0.60)	-1.53** (0.65)
Domestic Credit/GDP				0.011** (0.004)	0.001 (0.004)	0.001 (0.004)	-0.001 (0.004)	-0.001 (0.004)
per capita GDP					3.08*** (0.75)	2.27*** (0.76)	2.66*** (0.72)	2.36*** (0.80)
LEGAL2						0.60* (0.32)		0.34 (0.44)
Interaction of Volatility LEGAL2							1.04*** (0.38)	0.60 (0.51)
Dummy Latin	-1.20 (0.88)	-1.71* (0.87)	-1.71** (0.84)	-1.73** (0.79)	-1.38* (0.73)	-1.15* (0.70)	-1.27 (0.80)	-1.19 (0.73)
Dummy Africa/ Middle-East	-0.56 (0.83)	-1.08 (1.21)	-1.77 (1.32)	-1.58 (1.36)	-0.91 (1.09)	-1.14 (1.08)	-1.20 (1.11)	-1.23 (1.08)
Dummy Asian	-1.48** (0.71)	-2.01** (0.95)	-2.06** (0.99)	-2.21** (1.11)	-0.58 (1.10)	-1.32 (1.09)	-1.28 (0.97)	-1.43 (1.01)
Countries/Observations	34/167	34/167	34/166	34/166	34/165	34/165	34/165	34/165
Adjusted R-squared	0.836	0.835	0.843	0.845	0.875	0.878	0.880	0.890
J-Statistic / Sargan P-value	4.31 [0.97]	15.35 [0.34]	14.55 [0.41]	15.40 [0.42]	12.97 [0.67]	10.39 [0.92]	10.48 [0.92]	9.58 [0.94]

N.B.: Dependent variable: Sovereign Debt Rating

Estimation Method: TSLs with Regional Dummies and Period Fixed Effects.

***, ** and * denote statistical significance at the 1%, 5% and 10% levels respectively

Numbers in round parentheses () are the standard errors, and numbers in square parentheses [] are the Sargan P-values.

When private domestic credit as a ratio of GDP is added to the regression (Column 4), the coefficients of the lagged rating and average over the period inflation does not change in terms of the signs and statistical significance. The average over the period inflation volatility turns insignificant with the expected sign. The coefficient of the domestic credit indicates a positive and statistically significant impact on sovereign debt rating, albeit of a negligible magnitude. This indicates that the effect of domestic credit on sovereign debt rating is small and not economically significant, although it is statistically significant.

Adding the log of per capita GDP to the regression (Column 5), the coefficient of inflation volatility turns significant. In addition, all the previous results in terms of significance and magnitudes do not change much except for the coefficient of private domestic credit as a ratio to GDP which turns insignificant. This might be due to the high and positive correlation between the per capita GDP and the private domestic credit as a ratio to GDP which is equal to 0.53. Hence, the results of Column 5 indicate that there is at best, a weak, indirect relationship between domestic credit and sovereign debt rating that is completely dwarfed by the per capita GDP. As Column 5 indicates, the coefficient of the per capita GDP proves to be highly significant and large in magnitude. A unit increase in per capita GDP corresponds to about three classifications increase in the sovereign debt rating.

In order to estimate the direct effect of financial institutions on sovereign debt rating, the LEGAL2 Index is added to the regression. As obvious from Column 6, the impact of financial institutions on sovereign debt rating appears with the expected positive sign, magnitude, and statistical significance. A one unit increase in the LEGAL2 Index corresponds to about one unit increase in sovereign debt rating. In other words, a country with well developed financial institutions has high sovereign debt rating. Concerning the other coefficients in Column 6, the coefficient of the private domestic credit as a ratio to GDP stays insignificant. This might be explained by the relatively high positive correlation of 0.64 between the private domestic credit as a ratio to GDP and the LEGAL2 Index. It is important to note that the correlation between per capita GDP and sovereign debt rating is stronger than the correlation between the private domestic credit as a ratio to GDP and sovereign debt rating. So it might be the case that the impact of per capita GDP overshadows the private domestic credit as a ratio to GDP in the regression.

In order to estimate the indirect effect of financial institutions, the interaction term of LEGAL2 Index with inflation volatility is added to the rating regression (Column 7) while keeping the LEGAL2 Index in the set of instruments. The results show a statistically significant negative coefficient for the average over the period inflation volatility. A one percent increase in inflation volatility leads to a drop in sovereign debt rating by about two rating classifications. The LEGAL2 Index indirectly reduces this negative impact on sovereign debt rating through its positive interaction term with inflation volatility. In other words, the results of Column 7 seem to show that strong financial institutions do significantly enhance the relationship between inflation volatility and sovereign debt rating in such a way that countries with high inflation volatility but well developed financial institutions, will have higher sovereign debt rating over the next three years.⁽¹²⁾

When adding both the financial institutions' index and its interaction term with inflation volatility, or the direct and indirect effects of the financial institutions (Column 8), the results show that neither is statistically significant. One possible explanation here is the possibility of the presence of imperfect multicollinearity between the two terms where the correlation between the financial institutions' index and its interaction term is around 0.74 as shown in Table 10 of the Appendix. Furthermore, as shown in Table 12 of the Appendix, the F-statistic of the test that $\beta_{LEGAL2} = 0$ and $\beta_{interaction} = 0$ is equal to about 3.77 which exceeds the critical value of the $F_{2,\infty}$ distribution, implying that the null hypothesis is rejected. Thus, at least one of the coefficients is significant. This suggests that the insignificance of the two coefficients β_{LEGAL2} and $\beta_{interaction}$ in Table 4 above is due to the imperfect multicollinearity between the LEGAL2 Index and its interaction with inflation volatility.

In conclusion, this section provides empirical evidence that the magnitude of the negative impact of inflation volatility on sovereign debt rating is more important in terms of size and statistical significance as compared to the level of inflation. In addition, the negative impact of inflation volatility on sovereign debt rating is reduced with the presence of well-developed financial institutions. Finally, financial institutions have a positive direct and indirect impact on sovereign debt rating, where the latter impact works through the institutions' interaction term with inflation volatility.

5. Calculating the Total Effects

The previous discussion has shown that policies aimed at reducing inflation volatility would have positive significant impacts on sovereign debt rating. In addition, policies aimed at improving financial institutions have a positive significant impact on sovereign debt rating – either a direct or an indirect impact. In this section, the total effect of a one standard deviation decrease in inflation volatility versus the total effect of a one standard deviation increase in the LEGAL2 Index on the sovereign debt rating are compared.⁽¹³⁾

Total Effect of Inflation of Volatility

As the Column 7 of Table 4 shows, improving financial institutions lessens the harmful effects of inflation volatility on sovereign debt rating. However, the question remains: What is the total effect of decreasing inflation volatility on the sovereign debt rating? To answer this question, the total effect of a one standard deviation decrease in inflation volatility under different levels of LEGAL2 is calculated.

As Table 5 shows, the total effect is calculated by multiplying the coefficient of inflation volatility, β_3 of Equation 2, with the standard deviation of inflation volatility $\text{std}(\text{infvol}_{i,t})$ to get $[\hat{\beta}_3 * \text{std}(\text{infvol}_{i,t})]$. Similarly, the coefficient of the interaction term of LEGAL2 with inflation volatility, β_4 of Equation 2, is multiplied by $\text{std}(\text{infvol}_{i,t})$ to get $[\hat{\beta}_4 * \text{std}(\text{infvol}_{i,t})]$. Next, this latter product is multiplied by the LEGAL2 Index which is divided into five quintiles. Each quintile is multiplied by $[\hat{\beta}_4 * \text{std}(\text{infvol})]$ to get $[\text{LEGAL2}_i * (\hat{\beta}_4 * \text{std}(\text{infvol}))]$.

The first column of Table 5 shows the quintiles of the index. The first number of this column (-2.90) refers to the minimum value of the index. The next value of -1.95 refers to the 0 – 20th percentile of the index. The value -1.01 refers to the 20th – 40th percentile while -0.06 refers to the 40th – 60th percentile. The value 0.88 refers to the 60th – 80th percentile and finally 1.83 refers to the 80th – 100th percentile of the index.

As obvious from the “Total Effect” Column of Table 5, with the minimum value of the LEGAL2 Index, a one standard deviation decrease in inflation volatility leads to about four rating classifications increase. As shown in Table 6, this is the case for a country like Peru which has the worst level of financial institutional development in the sample.

With a relative improvement in financial institutions, or at the 20th percentile for example, a one standard deviation decrease in inflation volatility results in about 3 rating classifications increase. As may be observed in Table 6, this is the case for Argentina, Egypt and Uruguay.

Countries under the 40th percentile – like Brazil, Colombia, Greece, Mexico, Portugal, and Turkey – are all having a lower total effect of inflation volatility. For this group of countries, a one standard deviation decrease in the inflation volatility leads to about 2 classifications increase in the sovereign debt rating.

Table 5: Total Effect of a One Standard Deviation Change in Inflation Volatility
(Given the LEGAL2 Index)

(4) L2 Index	(5) equals (3) times (4)	Total Effect (2)+(5)	Variance	Confidence Interval	t-stat
-2.90	-2.37	-3.61***	0.93	[-5.50, -1.72]	-3.75
-1.95	-1.60	-2.84***	0.54	[-4.28, -1.40]	-3.87
-1.01	-0.82	-2.07***	0.30	[-3.15, -0.99]	-3.75
-0.06	-0.05	-1.29***	0.23	[-2.22, -0.36]	-2.72
0.88	0.72	-0.52	0.30	[-1.60, 0.56]	-0.94
1.83	1.49	0.25	0.54	[-1.18, 1.69]	0.35
(1) Standard Deviation Of Volatility		0.79			
(2) Volatility Coefficient times (1)		-1.24			
(3) Interaction Coefficient times (1)		0.82			

N.B. ***, ** and * denote statistical significance at the 1%, 5% and 10% levels, respectively.

Table 6: Percentiles of the Data on the LEGAL2 Index

Min -2.9		20th -1.95		40th -1.01		60th -0.06		80th 0.88		Max 1.83	
Per	-2.9	Arg	-1.98	Bra	-1.24	Chi	-0.80	Ausl	0.44	Aus	1.07
		Egy	-2.68	Col	-1.92	Ind	-0.41	Bel	0.54	Can	1.04
		Uru	-2.25	Gre	-1.12	Kor	-0.20	Den	0.87	Fin	1.23
				Mex	-1.32	S.A	-0.11	Fra	0.3	H.K	1.16
				Por	-1.61	Tha	-0.48	Ger	0.73	Mal	1.09
				Tur	-1.64			Isr	0.36	N.Z	1.34
								Ita	0.11	Nor	1.40
								Jap	0.84	Sin	1.76
								Neth	0.8	Swe	1.76
								Spa	0.1	U.K	1.83
								Swi	0.85	U.S.A	1
Avg	-2.9	Avg	-2.30	Avg	-1.48	Avg	-0.40	Avg	0.54	Avg	1.33

N.B. Check Table 1 for reference on the above abbreviations.

For the more institutionally developed countries above the 60th percentile, the total effect of inflation volatility on sovereign debt rating is statistically insignificant. As Table 5 shows, at the 60th percentile, the total effect would be about 1 rating classification

increase for each one standard deviation decrease in inflation volatility. Countries in this category include: Australia, Belgium, Denmark, France, Germany, Israel, Italy, Japan, Netherlands, Spain and Switzerland. Finally, at both the 80th percentile and at the top quintile of the LEGAL2 Index, the total effect is insignificant and ranges around zero. This case include countries like Austria, Canada, Finland, Hong Kong, Malaysia, New Zealand, Norway, Singapore, Sweden, United Kingdom and the United States.

It is interesting to note that countries with relatively underdeveloped institutions have higher response to changes in inflation volatility as compared to countries with relatively developed institutions. For instance, a one standard deviation reduction in inflation volatility at the 40th percentile of LEGAL2 (e.g. Mexico) leads to about two rating classifications increase. Furthermore, a one standard deviation reduction in inflation volatility under the 80th percentile of LEGAL2 (e.g. Japan) leads to about one rating classification increase. This suggests that countries with relatively well developed financial institutions; inflation volatility has smaller negative effect on ratings.

The results discussed here, are intuitive in the sense that well financially developed economies have more ways of controlling inflation volatility and dealing with its effects than less institutionally developed economies, and therefore investors do not care as much about the consequences of inflation volatility.

Total Effect of Financial Institutions

Using the results of Table 4 Column 8, the total effect of in LEGAL2 is calculated as $(\hat{\beta}_4 * Infvol_{i,t} + \hat{\beta}_5)$. In order to calculate the total effect of a one standard deviation increase in LEGAL2 Index, the interaction coefficient $\hat{\beta}_4$ and $\hat{\beta}_5$ are multiplied by the standard deviation of the LEGAL2 Index. Thus the total effect of a one standard deviation is calculated as $(std(L2_i) * \hat{\beta}_4 * Infvol_{i,t}) + \hat{\beta}_5 * std(L2_i)$, where $std(L2_i)$ refers to the standard deviation of the LEGAL2 Index. The $Infvol_{i,t}$ is substituted for its values at the 20th, 40th, 60th, 80th, and 90th percentiles each one in a turn.

The first column of Table 7 shows the quintiles of the log inflation volatility data. The first number of this column (0.02%) refers to the minimum value of the log of inflation volatility; the next value -0.08 refers to the 0 – 20th percentile of the index; 0.22 refers to the 20th – 40th percentile; 0.37 refers to the 40th – 60th percentile; 0.70 refers to the 60th– 80th percentile; and finally, 2.94 refers to the 80th – 100th percentile of the index. It may be recalled that the 90th percentile (1.3%) is the cutoff point above which the extremely high log inflation volatility data are discarded from the sample.

Table 7: Total Effect of a One Standard Deviation Change in LEGAL2
(Given Inflation Volatility)

(4) Volatility Percentiles	(5) equal (3) times (4)	Total Effect (2)+(5)	Variance	Confidence Interval	t-stat
0.02	0.02	0.46	0.31	[-0.63, 1.54]	0.83
0.08	0.06	0.50	0.28	[-0.53, 1.53]	0.96
0.22	0.17	0.61	0.22	[-0.30, 1.53]	1.32
0.37	0.29	0.73*	0.17	[-0.08, 1.54]	1.76
0.70	0.54	0.99***	0.14	[0.24, 1.73]	2.60
1.30	1.01	1.45**	0.33	[0.32, 2.59]	2.51
2.94	2.28	2.73*	2.46	[-0.35, 5.80]	1.74
(1) Standard Deviation Of LEGAL2		1.29			
(2) LEGAL2 Coefficient times (1)		0.44			
(3) (1) Interaction Coefficient times		0.78			

N.B. ***, ** and * denote statistical significance at the 1%, 5% and 10% levels, respectively

Additionally, for all the countries on the 40th percentile of inflation volatility and below, the total effect of a one unit improvement in the standard deviation of the LEGAL2 Index has a statistically insignificant impact on sovereign debt rating and the magnitude of the total effect reaches 0.61 rating classifications at the most.

Table 8. Percentiles of the Average of the Log of Inflation Volatility Data (1989–2006)

Min		20th		40th		60th		80th		90th		Max	
0.02		0.08		0.22		0.37		0.70		1.30		2.94	
Neth	0.02	Aus	0.07	Fra	0.19	Austl	0.29	Chi	0.40	Isr	1.28	Arg	2.39
Fin	0.02	Bel	0.05	Nor	0.15	Col	0.30	Egy	0.64	Mex	1.12	Bra	2.77
		Can	0.04	Spa	0.14	HK	0.26	Ger	0.50	Tur	1.23	Per	2.94
		Ita	0.07	UK	0.16	Jap	0.28	Gre	0.50	Uru	1.28		
		Swe	0.08	Den	0.19	Mal	0.28	Ind	0.59				
		Swi	0.08			NZ	0.34	Kor	0.42				
		US	0.04			SA	0.31	Por	0.58				
						Tha	0.35	Sin	0.50				
Avg	0.02	Avg	0.06	Avg	0.17	Avg	0.30	Avg	0.52	Avg	1.23	Avg	2.70

Furthermore, all countries falling under the 60th percentile and above have a significant positive total effect. For instance, under the 90th percentile, a one standard deviation increase in LEGAL2 Index, leads to about one classification increase in sovereign debt rating. As shown in Table 8, this is the case with countries like Israel, Mexico, Turkey and Uruguay.

At this point, it is important to know how a developing country, for example Mexico, can achieve this one standard deviation increase in its LEGAL2 Index. An illustrative way to think about it is as follows. A one standard deviation increase in the LEGAL2 Index moves Mexico's index to a value very close to the LEGAL2 Index for countries like Switzerland, France, Hong Kong, Japan, Netherland, South Africa, New Zealand and United States. By computing the averages of the individual components of the LEGAL2 Index, creditors' rights, shareholders' rights, enforcement and accounts for these eight countries, the averages are 2, 2.95, 68.25, and 9.10. Comparing these values to their equivalent ones in Mexico, these values are 0, 1.33, 60, and 6.2. The differences between the average values of these four indices for the eight countries and the four indices for Mexico, imply that Mexico needs a major improvement in all the four components of the LEGAL2 Index. The protection of creditors' rights, for example, is considered one of the greatest problems facing businessmen in Mexico. Creditors are afraid to provide finances for current or new projects as long as they do not have a direct control over the goods provided by debtor as collateral in case of the debtor's default. The improvement in the financial institutions in Mexico is crucial for it to enjoy the benefits of the one standard deviation increase in the LEGAL2 Index.

Impact of the Increase in Sovereign Rating on Long-Term Bond Yield

The previous discussion signifies that a country can increase its sovereign debt rating by either following a monetary policy that decreases inflation volatility or by improving its financial institutions. The aim of this section is to link the changes in the sovereign debt rating to the changes in the average annual long-term bond yield. A country with low rating is expected to pay more premiums on its foreign borrowings and therefore, its long-term bond yield is expected to be relatively high when compared with a higher rated country.

It has been observed that under the 40th percentile of the LEGAL2 Index, where a country like Mexico belongs, a one standard deviation decrease in inflation volatility leads to about 2 rating classifications increase, given the institutions index. From Table

13 of the Appendix, these 2 rating classifications increase means an increase from the lowest level in the investment grade category of “Baa3” or 12 points, to which Mexico belonged in the first quarter of the year 2000, up to “Baa1” or 14 points.

A possible way of linking this increase in the sovereign debt rating to the annual long term bond yield is by plotting a bar chart linking the data of these two variables together. As shown in Figure 1 (Appendix), a negative non-linear relationship is observed between the sovereign debt rating and the average annual 5-year bond yield. A country with high rating is associated with low average long-term bond yield, and vice versa.

Back to Mexico’s example again, Figure 1 and Table 14 (Appendix) show that the two classifications increase in rating from Baa3 to Baa1 are equivalent to a drop in the average annual 5-year bond yield from 12.21% to 7.81%. Hence, a one standard deviation decrease in inflation volatility leads to a drop in cost of borrowings by about 4.4%.

Similarly, the link between one standard deviation increase in LEGAL2 Index and the drop in the average annual 5-year bond yield is found. Again, in Mexico’s case, a one standard deviation increase in the LEGAL2 Index leads to about one classification increase in rating from “Baa3” or 12 points, to which Mexico belonged in the first quarter of the year 2000, up to “Baa2” or 11 points. From Figure 1 and Table 14, the one classification increase in rating, from Baa3 to Baa2, is equivalent to a drop in the average annual 5-year bond yield from 12.21% to 7.94%. Thus, a one standard deviation increase in the LEGAL2 Index leads to a drop of about 4.27% in the country’s cost of borrowings.

5. Conclusion

While many studies have concentrated on the role of macroeconomic fundamentals in affecting sovereign debt rating, few of these studies have addressed the role of the second moments of macroeconomic aggregates. Additionally, while there is a growing literature on the importance of institutions for a country’s economic growth, there have been very few studies on the importance of improving institutions in relation to the sovereign debt rating.

This study contributes to the sovereign debt rating literature by first showing that the level of inflation loses its significant impact on sovereign debt rating once inflation volatility is included in the regression. Secondly, reducing inflation volatility

has a statistically significant positive direct impact on sovereign debt rating where a one standard deviation decrease in inflation volatility leads to about two rating classifications increase. Thirdly, improving institutions has a statistically significant positive direct and indirect impact on sovereign debt rating where a one standard deviation increase in the index of financial institutions leads to about one rating classification increase. Finally, the increase in sovereign debt rating – either due to one standard deviation decrease in inflation volatility or to a one standard deviation increase in institutions' index – leads to drops in the average annual long-term bond yield by about 4.4% and 4.27% respectively.

Possible future research can depart from this last point where the welfare implications of the exogenous drops in the cost of borrowing versus the welfare impacts of the exogenous improvement in institutions for a small open economy are computed. A good candidate for this model is a country like Mexico which fell on the border line between an investment grade and a speculative grade in the first quarter of the year 2000. It will be interesting to see how the welfare impacts of the shocks coming from the drop in the cost of borrowing, due to the reduction in inflation volatility, compare with welfare impacts of the shocks coming from the improvement in institutions, where the latter has two positive welfare effects – one that passes through the drop in the cost of borrowing and another, direct exogenous effect through reducing the resource waste in the economy.

The study concludes by drawing attention to some important confines of this study that are mainly related to measurement errors. The assigning of a linear numerical value to each rating letter might not be the optimal strategy. A nonlinear relationship between assigned numbers and rating letters should be considered in future research on the subject matter. Furthermore, given the data limitation, measurement errors could arise from the assumption that each country has a time invariant index for financial institutions. Particularly, this could be a strong assumption given the improvement in the financial institutions for some countries included in the sample.

Footnotes

- (1) Min (1998) provides a good literature review on these four groups.
- (2) The RIEL is measured with the agency credit rating and the historical default risk. As mentioned in their paper, it decomposes the spread into a risk component and a risk premium component.
- (3) The paper uses the governance indicators provided by the World Bank database and measured by Kaufman, Kraay and Mastruzzi (2003). These governance indicators include the voice of the people, political stability, government effectiveness, regulatory quality, rule of law and corruption control. In addition, the authors developed a composite index for these six indices.
- (4) To avoid the dummy variable trap, the dummy that represents countries in the Organization for Economic Cooperation and Development (OECD) is omitted, but its effect is picked up by the intercept β_0 .
- (5) Aaa, Aa1, Aa2, Aa3, Aa, A1, A2, A3, A, Baa1, Baa2, Baa3, Ba1, Ba2, Ba3, B1, B2, B3, Caa1, Caa2, Caa3, Ca, C. For detailed definition on each rating classification, check Rowland (2005).
- (6) $L_e = \rho(d) \cdot (1 - r_e)$, where L_e is the expected loss, $\rho(d)$ is the probability of default, and r_e is the expected recovery rate as noted in Bhatia (2002).
- (7) More details on these indices are provided in La Porta et al. (1998).
- (8) Results are available from the author upon request.
- (9) Equal to the number of instruments multiplied by the second stage F-statistic.
- (10) The data for the English origin dummy are taken from La Porta et al. (1998).
- (11) To account for a possible non-monotonic impact of the level of inflation on the sovereign debt rating, the square of the level of inflation was added to the regressions above. The results suggest that the coefficient of the level of inflation remains statistically insignificant. Results are available from the author upon request.
- (12) A robustness check is undertaken using Panel Least Squares with Dummies Variables (LSDV) and period fixed effects for the regressions in Table 4. The results of LSDV confirm the results of TSLS. Results are available from the author upon request.
- (13) A robustness check is undertaken on the total effects of both inflation volatility and financial institutions using LSDV. The results are robust to the use of a different estimation methodology and this confirms that the instruments used are good enough to well estimate the relations of interest. Results are available from the author upon request.

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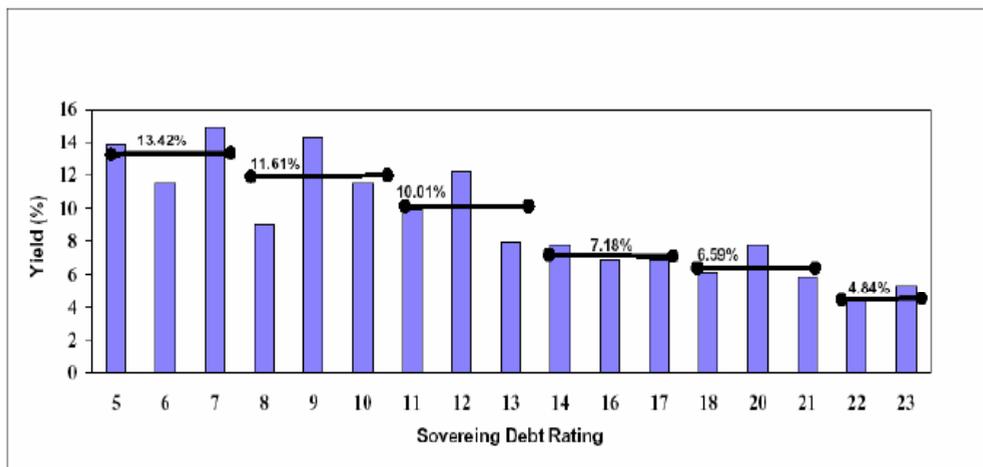
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Appendix

Figure 1. The negative relationship between Moody's rating in 2000 (first quarter) and 5-year Annual Bond Yield in 2000 (first quarter).



Source: Global Financial Database for the Annual 5-year Bond Yield.

Table 9: Descriptive Statistics

	Rating	Inf	InfVol	DC	GDP/cap	L2	intL2
Mean	16.88	48.43	0.51	86.04	4.00	-0.01	-0.68
Median	20.33	3.45	0.28	80.84	4.19	0.36	-0.05
Maximum	23.00	3398.68	3.27	228.07	4.60	1.83	0.93
Minimum	0.00	-1.58	-0.99	9.17	2.49	-2.90	-9.49
Std. Dev.	6.75	328.58	0.79	48.99	0.48	1.32	1.78
Skewness	-0.94	8.92	1.78	0.48	-0.93	-0.58	-2.89
Kurtosis	2.90	84.89	5.97	2.57	3.12	2.17	12.00
Jarque-Bera	32.13	64102.52	195.56	10.18	31.77	18.50	1044.83
Probability	0.00	0.00	0.00	0.01	0.00	0.00	0.00
Sum	3696.00	10605.80	111.61	18842.17	875.35	-1.82	-149.21
Sum Sq. Dev.	9945.84	23536444.00	135.43	523284.60	49.67	379.61	693.75
Observations	219.00	219.00	219.00	219.00	219.00	219.00	219.00

Legend: Inf refers to inflation; Infvol refers to inflation volatility; DC refers to Domestic credit as a ratio to GDP; GDP/cap is the per capita GDP; L2 is the LEGAL2 Index; intL2 is the interaction term of the LEGAL2 Index with inflation volatility.

Table 10: Correlation Matrix

	Rating	Inf.	Inf. Vol.	DC	GDP/cap.	L2	intL2
Rating	1.00	-0.30	-0.72	0.59	0.76	0.77	0.62
Inf.	-0.30	1.00	0.41	-0.15	-0.15	-0.22	-0.42
Inf. Vol.	-0.72	0.41	1.00	-0.51	-0.48	-0.65	-0.84
DC	0.59	-0.15	-0.51	1.00	0.53	0.64	0.50
GDP/cap.	0.76	-0.15	-0.48	0.53	1.00	0.70	0.43
L2	0.77	-0.22	-0.65	0.64	0.70	1.00	0.74
intL2	0.62	-0.42	-0.84	0.50	0.43	0.74	1.00

N.B. Please see Legend of Table 9.

Table 11: Regional Dummies

Code	Countries	Dasian	Doecd	Dlatin	Dafmid
1	Argentina	0	0	1	0
2	Australia	0	1	0	0
3	Austria	0	1	0	0
4	Belgium	0	1	0	0
5	Brazil	0	0	1	0
6	Canada	0	1	0	0
7	Chile	0	0	1	0
8	Colombia	0	0	1	0
9	Denmark	0	1	0	0
10	Egypt	0	0	0	1
11	Finland	0	1	0	0
12	France	0	1	0	0
13	Germany	0	1	0	0
14	Greece	0	1	0	0
15	Hong Kong, Chi	1	0	0	0
16	India	1	0	0	0
17	Israel	0	0	0	1
18	Italy	0	1	0	0
19	Japan	0	1	0	0
20	Korea, Rep	0	1	0	0
21	Malaysia	1	0	0	0
22	Mexico	0	1	0	0
23	Netherlands	0	1	0	0
24	New Zealand	0	1	0	0
25	Norway	0	1	0	0
26	Peru	0	0	1	0
27	Portugal	0	1	0	0
28	Singapore	1	0	0	0
29	South Africa	0	0	0	1
30	Spain	0	1	0	0
31	Sweden	0	1	0	0
32	Switzerland	0	1	0	0
33	Thailand	1	0	0	0
34	Turkey	0	1	0	0
35	United Kingdom	0	1	0	0
36	United States	0	1	0	0
37	Uruguay	0	0	1	0

Legend: Dasian refers to the dummy variable for Asian countries

Doecd refers to the dummy variable for the OECD countries (includes Japan, Mexico, and Turkey)

Dlatin refers to the dummy variable for the Latin American countries.

Dafmid refers to the dummy variable for the North African and Middle Eastern countries (includes South Africa)

Table 12: Wald Coefficients Test

Wald Test:			
Equation: BASE			
Test Statistic	Value"	df""	Probability
F-statistic	3.766590	(2, 150)	0.0253
Chi-square	7.533179	2	0.0231
Null Hypothesis Summary:			
Normalized Restriction ($= 0$)	Value"	Std. Err.	
C(7)	0.341208	0.438961	
C(8)	0.604794	0.514689	

N.B. Restrictions are linear in coefficients.

Table 13: Definition of Moody's Sovereign Debt Rating

	Moody's Rating	Classification
Investment Grade	23	Aaa
	22	Aa1
	21	Aa2
	20	Aa3
	19	Aa
	18	A1
	17	A2
	16	A3
	15	A
	14	Baa1
	13	Baa2
	12	Baa3
Speculative Grade	11	Ba1
	10	Ba2
	9	Ba3
	8	B1
	7	B2
	6	B3
	5	Caa1
	4	Caa2
	3	Caa3
	2	Ca
1	C	

Table 14. Annual Yield in 2000 (first quarter) and Moody's rating in 2000

Country	Yield	Rating	Average Yield
Australia	6.40	23	
Austria	5.46	23	
Denmark	5.39	23	
Finland	4.91	23	
France	4.96	23	
Germany	4.86	23	
Ireland	5.06	23	
Netherlands	5.03	23	
Norway	6.18	23	
Switzerland	4.18	23	
UK	5.86	23	
US	5.88	23	5.30
Belgium	5.09	22	
Canada	6.07	22	
Japan	1.07	22	
Singapore	3.72	22	
Sweden	5.32	22	4.37
New Zealand	7.02	21	
Portugal	5.25	21	
Spain	5.09	21	5.86
Iceland	10.50	20	
Italy	5.04	20	7.80
Czech Republic	6.11	18	6.11
Botswana	8.00	17	
Cyprus	7.35	17	
Greece	6.03	17	
Israel	5.60	17	6.87
Hong Kong	6.90	16	
Hungary	8.33	16	
Malta	5.33	16	6.85
Chile	5.90	14	
Estonia	10.82	14	
Poland	6.70	14	7.81
Korea	9.54	13	
Latvia	9.13	13	
Malaysia	5.15	13	7.94
Mexico	17.40	12	

Continue table 14...

South Africa	13.57	12	
Thailand	5.67	12	12.21
Lithuania	11.62	11	
Morocco	5.80	11	
Philippines	13.50	11	
Slovak Republic	8.64	11	9.89
Colombia	18.00	10	
Fiji	5.26	10	
India	11.32	10	11.53
Jamaica	24.75	9	
Jordan	7.00	9	
Peru	11.21	9	14.32
Argentina	9.73	8	
Brazil	11.31	8	
Kazakhstan	9.98	8	
Lebanon	8.99	8	
Turkey	4.87	8	8.97
Bulgaria	9.31	7	
Honduras	14.16	7	
Venezuela	21.42	7	14.96
Indonesia	11.48	6	
Ecuador	13.66	5	
Pakistan	13.98	5	13.82

Source: Global Financial Data base for the Annual Yield Data

Fundamentals Affecting Oil Prices: An Empirical Study

Latifa Ghalayini*

Abstract

This paper studies the oil price volatility and investigates the factors that affect the spot oil price and might have contributed to the oil price increase. After approaching the oil price volatility, a linear model for spot oil price determination is estimated. Five variables: the spot oil price, the oil demand and supply, the \$ exchange rate value and activity in future markets validate a long-run relationship. Together these variables allow the model to perform well and explain the winner situation of oil exporter countries in the short and long term. However the estimation of the Vector Error Correction Model (VEC) shows that the oil supply influences negatively the spot oil price in long term and, the oil demand as well as the Special Drawing Receipt (SDR)/\$ exchange rate are significant for oil price determination in the short term only while, the activity in future market is insignificant in determining spot oil price in short and long term.

الأساسيات الاقتصادية التي تؤثر على أسعار النفط: دراسة تجريبية

لطيفة غلاييني

ملخص

تدرس هذه الورقة تقلب أسعار النفط وتحقق في العوامل التي تساهم في هذه التقلبات. فبالإضافة إلى العرض والطلب على النفط الخام تدرس هذه الورقة تأثير عاملين آخرين على سعر النفط هما سعر صرف الدولار والظروف السائدة في الأسواق الآجلة للنفط. وقد تم إثبات وجود علاقة طويلة المدى بين سعر النفط وهذه العوامل الأربعة، مما أمكن بواسطة استخدام وسائل الإقتصاد القياسي من بناء نموذج لتحديد سعر النفط يكون فيه هذا الأخير متغيراً تابعاً والعوامل الأربعة السالفة الذكر متغيرات مستقلة. تسمح هذه المتغيرات للنموذج بأداء جيد لتبيان الحالة الراجعة للدول المصدرة للنفط من تقلبات أسعار النفط على المدى القصير والطويل.

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1. Introduction

Oil prices have been variable since the large price increases of the 1970s and 1980s. The wide price fluctuations in 2007, when daily spot prices for marker crudes nearly doubled between January and November, and fluctuations by more than US\$20 a barrel in early 2008, reinforce the idea that oil prices are volatile. What factors influence the crude oil price and make it fluctuate? Does this oil price fluctuation favor exporter or importer countries? In other words, who are the winners in the crude oil price game – the oil exporters or the oil-importing countries?

The existing empirical literature on crude oil price does not give a satisfactory answer. Existing research has either exploited the statistical properties of the data – namely autocorrelation and non-stationary – or has focused on macroeconomic or financial variables as the determinants of oil prices. This paper takes a novel approach and demonstrates a linear model which describes the price determination process in the oil market. The oil price as the price of any other commodity is determined by the supply and demand of this commodity, but because oil contracts are settled in US dollar and the increasing speculation on oil contract, the model for crude oil price determination is expanded to include the supply and demand, the Special Drawing Rights (SDR)⁽¹⁾/\$ exchange rate and conditions in future markets as explanatory variables. Together, these factors allow the model to perform well and explain the winner situation of oil exporter countries in the short and long term.

2. Literature Review

There are three schools of thought in relation to the determination of crude oil prices, but none has been entirely successful in predicting the path of oil prices. The first school examines the interaction of demand and supply in the determination of the spot price. Microeconomic theory states that if there is excess demand, prices will rise to restore equilibrium. Alternatively, if there is excess supply, prices will fall. The presence of excess supply or demand is evidenced in crude oil inventories. Zamani (2004) presented a short-term quarterly forecasting model of the real West Texas Intermediate (WTI) price that accounts for both the role of the Organization of Petroleum and Exporter Countries (OPEC) and the physical oil availability of relative inventory levels. Zamani included in his model OPEC quotas, overproduction and non-Organization for Economic Development and Cooperation (OCDE) demand as explanatory variables. Ye et al. (2002, 2005 and 2006) used relative oil inventory levels to forecast oil prices.

The second school of thought posits that commodity markets are generally efficient and holds the view that futures prices have the power to forecast realized spot prices. A widely supported approach is taken by Chinn, LeBlanc and Coition (2005), postulating that the best predictor of future spot prices is futures prices. While they found that futures prices are unbiased predictors of future spot prices, the prediction error is large. Taback (2003) also found similar results but also observed that the explanatory power of futures prices is low for changes in spot prices.

Merino and Ortiz (2005), extending the various works of Ye et al. (op.cit.) investigated whether some explanatory variables can account for the fraction of oil price variations that is not explained by oil inventories. The authors acknowledged as possible sources of variation the following: (a) the difference between spot and futures prices; (b) speculation defined as the long-run positions held by non commercials of oil, gasoline and heating oil in the New York Mercantile Exchange (NYMEX) futures market; (c) OPEC's spare capacity along with the relative level of US commercial stocks; and (d) different long-run and short-run interest rates. Exploiting causality and co integration tests, the authors identified the importance of the speculation variable which, among others, appears to add systematic information to the model.

A different approach in forecasting oil prices is proposed by Lalonde et al. (2003), who tested the impact of the world output gap and the real US dollar effective exchange rate gap on WTI prices. A comparison with a random walk and with an Autoregressive of Order 1 (AR (1)) specification suggests that both variables play an important role in explaining oil price dynamics. Sanders et al. (2009) investigated the empirical performance of the Energy Information Administration (EIA) model for oil price forecasting at different time horizons. This model is a mixture of structural and time series specifications, which includes supply and demand as the main factors driving oil prices, and takes into account the impact of past forecasts. The authors found that EIA three-quarters ahead oil price forecasts, are particularly accurate.

The third approach is taken by Kaufmann et al. (2004) who used macroeconomic fundamentals such as GDP and interest rate to model fuel demand and supply and hence, explaining spot prices. A similar approach is taken by Krichene (2005) and Krichene (2007). In Kaufmann et al. (2007)⁽²⁾, oil prices are driven by OPEC quotas and capacity utilization, which are shown to be statistically relevant over the period 1984–2002. Although the models capture supply and demand influences, significant forecast errors are evident in certain periods.

This paper presents a linear model for the oil market and proves a long-run relation between crude oil price and the world real gross domestic product, the world oil production, the SDR/\$ and an open interest in the NYMEX.

3. Oil Market and Price Trend

Crude oil is produced in nearly every corner in the world.⁽³⁾ If oil were a normal commodity, competition would eventually drive the price down to a level close to the current cost of production, which at the margin, is probably somewhere between \$20 and \$30 a barrel. However, the oil market is hardly a text book case of open competition. The OPEC cartel controls 40% of the supply and they possess about 78% of the world's total proven crude oil reserves. This gives OPEC a pivotal influence in shaping the direction of oil prices – but only when the cartel acts together to control production and balance supply and demand in the international market. Furthermore, geopolitics is an ever-present factor, as is speculation.

The most widely accepted theoretical approach to the economics of oil focuses on the prevailing oligopolistic market. According to Adelman (1993), the long-term marginal cost is a small fraction of the price of oil, even when making considerable allowances for the future values of the resources used up today (user cost). To support high price levels, the excess supply is restricted by a cartel. The market works in the following way – higher-cost producers sell all they can produce, while low-cost producers satisfy the remainder of the demand at current prices and cut back production if needed.

Econometric evidence on Saudi Arabia confirms the asymmetric behavior of the low-cost petroleum suppliers: the country restricts production in reaction to negative demand shocks but does not expand production in response to positive ones, in order to sustain high prices (De Santis, 2003). The oligopolistic structure of the oil market or the dominant role of Saudi Arabia is supported in a number of other empirical studies (Griffin, 1985; Alhajji and Huettner, 2000; and Dees et al., 2003).

Overview of the Supply

The power of the producing countries is, in general, rooted in the characteristics of oil. Producers incur no storage costs since petroleum is simply left in the ground whereas consuming countries have to cover the technical costs of building storage facilities, interest on the value of oil stocks and various risks. In addition, oil production is not labor-intensive and, therefore, the oil supply can be controlled easily by reducing

depletion rates without affecting the labor market. Since there are no short-term substitutes for petroleum, changes in supply are also effective. Moreover, demand for crude oil is highly insensitive to price changes (Cooper, 2003).

Oil supply and its relation to crude prices can be looked at in two ways: long and short term. Short term does not really include how much oil is still sitting in the ground. While oil reserves are diminishing, there is still enough black stuff down there that the effects from immediate factors mitigate long-term ones. Thus, the major short-term factors include the production decisions of OPEC and non-OPEC countries, how much spare capacity there is for excess oil and external shocks that affect output, such as wars and politics.

From a long-term perspective, oil supply depends mostly on just how much crude is left in the global reserves, and what kind of government is sitting on top of them. Other factors may also include exploration and how successful and efficient oil companies are at finding new wells. New developments in technology also play an important role, allowing for more efficient and profitable extraction and refining of oil previously unusable or inaccessible.

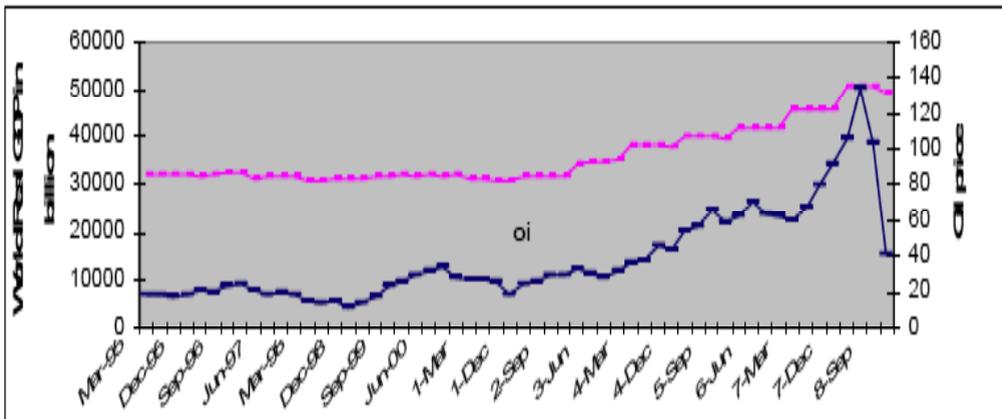
OPEC is the main player in the supply side – controlling 40% of the supply, and possessing about 78% of the world's total proven crude oil reserves. It behaves as a semi-cartel in normal times by aiming to maintain excess extraction capacity in order to influence crude oil prices. Non-OPEC producers, on the other hand, have relatively limited reserves and spare capacity, and generally behave as price takers. At certain times, OPEC has relatively clear influence on oil prices, as in 1996, when a flood of Saudi crude oil came on the market and drove down prices. In recent years, its policy has been to balance the market while allowing for an appropriate level of crude oil inventories in consuming nations.

The Demand for Oil

Unlike supply, demand for crude oil depends on the choices of many individual households and firms. In addition to demographic factors, oil prices are linked, like those of other commodities, to the levels of economic activity in the industrial nations. Demand, both from consumers and industrial users, tends to pick up when growth rates of gross domestic product increase and slows down when those growth rates decline. As world economic growth increases, the demand for oil increases which consequently

pushes up oil price. Oil prices then, tend to be volatile, at least partly due to variations in the business cycle (Figure 1).

In December 1998, economic growth decreased and pushed down the demand for oil and therefore, reduced oil price. The world economy continued its recovery in 2003 and 2004 with gross domestic product (GDP) growth rates increasing in many regions. The strongest growth performances were in oil-importing United States and China, but better performance was also observed in Japan and Russia, as well as the emerging growth nations of Asia. US growth was 3.1% in 2003, and reached 4.6% during 2004. Chinese economic growth was 7.4% in 2003 and reached 6.8% in 2004, moderating only slightly for 2005.⁽⁴⁾ In the United States, economic growth has been linked to high levels of oil consumption, of which increasing gasoline demand is an important component. In China, expanding exports have increased the industrial demand for oil, and rising consumer income has increased consumers demand for gasoline. US oil demand increased by 1.9% in 2003 to over 20 million b/d. Chinese oil demand increased by 11.5% in 2003 to almost 6 million b/d.⁽⁵⁾



Source: Prepared by the author based on Data and Statistics, International Monetary Fund (2004)

Figure 1. Variation of world real GDP and oil price from 1995, Q1 – Q4, 2008.

In both the United States and China, the increase in GDP growth and economic activity in general, has led to increases in energy demand. However, a feedback relationship exists which can mitigate this effect. To the extent that oil prices rise, reflecting increased oil demand, GDP growth rates might decline for two reasons. If the monetary authorities interpret increasing oil costs as generalized price inflation, they

may adopt restrictive monetary policies which could slow the economy's growth. Also, if oil product prices rise, and consumers are unable or unwilling to reduce oil product consumption, consumers may reduce expenditures on other goods and services, again potentially slowing the rate of GDP growth.

While the United States and China increased their demands for crude oil and petroleum products as a result of their GDP growth, oil exporter countries, improved their GDP growth rate. High oil prices, based on rising oil demand, create an inflow of oil derived revenue, increasing GDP growth. The danger for these nations is that if prices go too high, and stay high, GDP growth in the consuming nations might decline, reducing the demand and price of oil. An additional factor is that high prices lead to increases in exploration and development budgets around the world. As new oil is found and brought to market, supply increases and prices might be reduced, damaging the oil exporting nation's growth. High oil prices can also stimulate industrial countries to develop and use alternative fuels (oil substitutes) more competitive, potentially reducing the demand for oil.

The Spot, Term and Future Markets

Initially, most trade flows were conducted under term contracts.⁽⁶⁾ Since the early 1980s, however, the petroleum industry has become increasingly dependent on the spot market and spot prices.⁽⁷⁾ Although the spot market accounts for less than 50% of physical oil sales, spot prices are the primary determinant of almost all other petroleum prices. They are, for example, used in most pricing formula for the term crude oil sales of OPEC and many other producing countries (Energy Intelligence, 2004).

The other recent development in the oil industry is the growing influence of the market for future contracts.⁽⁸⁾ In 1983, NYMEX introduced the first crude oil futures contract. By 1990, there were 10 active oil futures contracts trading worldwide, with a combined daily volume equivalent to 150 million barrels a day, or 130% more than oil demand at the time. Today, total NYMEX oil futures trading activity represents the equivalent of 600 million barrels, which is about seven times the daily volume of current oil demand.

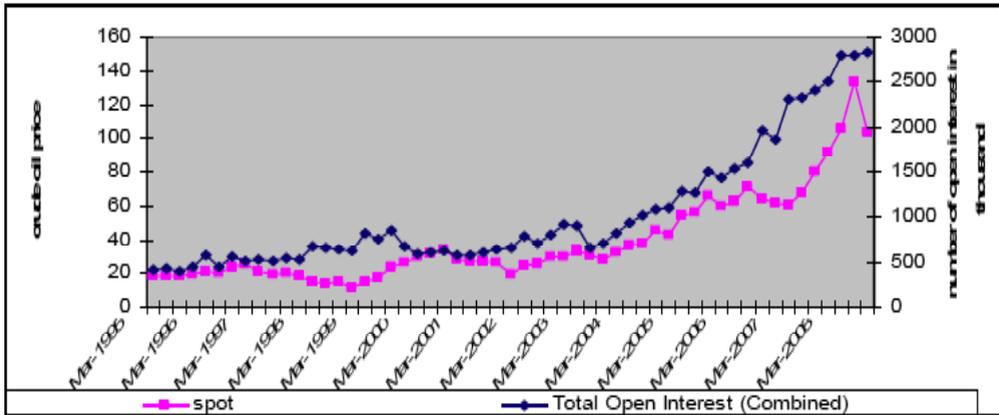
NYMEX and the Inter Continental Exchange (ICE) Futures in London control global benchmark oil prices which in turn set most of the freely traded oil cargo. They do so via oil future contract on two grades of crude oil – the WTI and the North Sea Brent. A third rather new oil exchange, the Dubai Mercantile Exchange (DME), trades Dubai crude.

The players in the energy markets are a diverse group of commercial and non-commercial investors. The set of so-called commercial traders – traditionally oil producers and energy companies that tend to hedge – has been expanded by the growing number of investment banks and hedge funds which own energy-producing facilities, and the emergence of specialized energy trading firms in the wake of financial market deregulation. Furthermore, the distinction between commercial and non-commercial traders is increasingly blurred as non-commercial traders may enter into swap arrangements in which commercial traders act as their agent.

Innovations in futures, options, and derivative instruments permit active trading, speculating, and hedging, i.e. linking markets for physical petroleum products with financial markets. While new investors could be instrumental in translating expected future fundamentals into current prices, excessive activity based on limited information may lead to a disconnect between the futures and physical markets. In particular, excessive activity by newcomers or “herd behavior” by investors may exaggerate the impact of concerns about current and future supply conditions at all points along the futures curve, including spot prices. Given that only about 5% of futures contracts are ever delivered as a physical product, increased uncertainty can encourage speculative behavior in the futures market. This, in turn, may push up futures prices beyond that warranted by future market fundamentals.

The large purchases of crude oil futures contracts by speculators have, in effect, created an additional demand for oil, driving up the price of oil for future delivery in the same manner that additional demand for contracts for the delivery of a physical barrel today drives up the price for oil on the spot market. As far as the market is concerned, the demand for a barrel of oil that results from the purchase of a futures contract by a speculator is just as real as the demand for a barrel that results from the purchase of a futures contract by a refiner or other user of petroleum. Figure 2 shows that crude oil price and oil open interest⁽⁹⁾ move together with an upward trend.

On the other hand, causality tests suggest that speculative activity, as proxied by net non-commercial long positions, does not have a significant impact on spot prices, but it does moderately influence longer-dated futures prices. The results also suggest that speculative activity follows, rather than leads spot prices, as do longer-dated future prices, which supports the argument that changes in the fundamentals affect, via spot prices, perceptions regarding future physical market conditions.⁽¹⁰⁾



Source: Prepared by the author based on data from Commodity Futures Trading Commission 2010

Figure 2. Variation of crude oil price and total open interest, NYMEX: 3 March 1995 – 27 July 2010.

Oil Price and Traded Currency

Since oil is priced in dollars and generally paid for in dollars, exchange rate variations in the US dollar can affect the level and distribution of the world’s oil demand and oil price as consequences. Several consequences may follow from this relationship. Firstly, if the value of the dollar declines against other currencies the dollars received by oil exporting nations are worth less in terms of world purchasing power. If oil exporters are able to exert market power in setting prices, or if market conditions permit oil exporters to dictate higher prices, they have incentives to increase the money price of oil in an attempt to preserve the purchasing power they earn through selling a barrel of oil.

Oil-importing countries have various reactions facing the dollar weakness. For the United States, of course, any increase in the dollar price of oil is immediately felt as an increased price burden, possibly leading to decreases in demand. For the euro-area consumers, the situation is different. Since the value of the euro has increased in terms of dollars, the effect of any increase in dollar-denominated oil prices is offset by the amount of euro appreciation. For example, if the euro appreciates by the same percent that the price of oil in dollars increases, the two effects cancel each other. The result is that the demand for oil in the euro area is less likely to be affected by high oil prices as long as the euro appreciates.

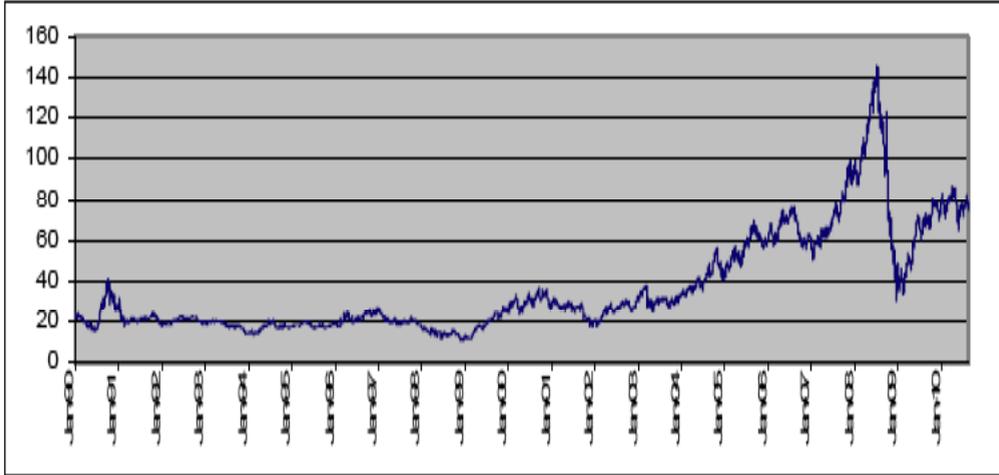
Nations that intervene in world currency markets to prevent the dollar from falling relative to their currencies – for example, Japan, Korea and Taiwan – are implicitly choosing to forego the associated real reduction in oil prices an appreciating currency would bring, to preserve the export advantage for their goods that a lower exchange rate brings. Since these nations are both large oil importers as well as major exporters on world markets, the choice can have important implications for their economies. China also foregoes (when the Yuan exchange rate was fixed with the \$) any exchange rate-based benefit with respect to oil purchases in favor of supporting export industries.

4. Crude Oil Price Volatility

This section aims to provide an approach to the oil price volatility for data on daily crude oil prices (Energy Information and Administration, 2010) denoted by p_t , and covering March 1995 – March 2010. Figure 3 provides a starting point to the analysis of oil price behavior over the last 20 years. The graph shows that daily prices of WTI crude – one of the marker crudes – have varied continuously. Leading up to 2008, oil prices experienced a steady, upward trend. In 2008, oil prices climbed to an unprecedented high of \$147 per barrel in July, only to fall dramatically in a very short period of time to a low of \$30 per barrel in December 2008. Since the end of 2008, oil prices have risen in 2009 and are now near \$70 per barrel in 2010.

Discounting the exceptional circumstances of the first Persian Gulf War, prices had tended to fluctuate within a narrower band for most of the 1990s. From 1999 to 2004, the biggest difference between the high and low price in any given year was \$16; from 2005 on, the average variance was \$52; but in 2008, it was \$115.

The analysis of the volatility of a price series is based on the returns of the data, which are the period-by-period changes in the data. For example, returns on daily prices are the differences between prices in two consecutive days. In this study, as in many others, the preferred measure of the return is the difference in the logarithms of prices over two consecutive periods: $R_t = \log p_t - \log p_{t-1}$. Such a calculation gives an approximate percentage change in price when the magnitude of variation from one period to the next is small compared to the price levels themselves.



Source: Prepared by author based on data from Energy Information and Administration (2010)

Figure 3. Crude oil price (WTI, daily: January 1990 through August 2010).

Methodology

A GARCH⁽¹¹⁾ formulation was used to test whether the variance of returns is stationary and if price levels eventually revert back to a mean and, if they do, over what time period. The GARCH formulation tests an Equation specification⁽¹²⁾ for the mean of the return series (Equation 1) in logarithms and Equation 2 for the conditional variance of the returns:

$$R_t = \log p_t - \log p_{t-1} = c + \varepsilon_t \tag{Equation 1}$$

$$\sigma_t^2 = \omega + \alpha \varepsilon_{t-1}^2 + \beta \sigma_{t-1}^2 \tag{Equation 2}$$

where $\varepsilon_t \sim N(0, \sigma_t^2)$ and $\sigma_t^2 = E(\varepsilon_t^2)$

The prior step is to analyze whether oil price are stationary. The standard test for the presence of a unit root is the Augmented Dickey Fuller (ADF)⁽¹³⁾ test. This test was carried out on all the series used in this study. After determining the process stationarity, Box-Jenkins⁽¹⁴⁾ procedure is applied in order to build and choose the appropriate model. This procedure consists of building and estimating the model once its type is known. The Ordinary Least Square (OLS) method is usually used in the case of auto regressive model (AR), but if the model is moving average (MA) or autoregressive-moving-average

(ARMA) – the maximum likelihood method is used since these models are not linear.

Results

Stationary Analysis. According to the calculated ADF value presented in Table 1, hypothesis of a unit root cannot be rejected for all variables in levels. The results further suggest that taking first differences remove these roots from the series implying that oil price series is integrated of order 1(I(1)).

Table 1: Unit Root Test for Oil Price

Variables	Models	Lag	Calculated ADF in levels	Lag	Calculated ADF in Differences
Oil Price P _t	Intercept	2	-1.029670	1	-47.13202***
	Trend & Intercept	0	-2.688806	1	-47.12868***
	None	2	0.218364	1	-47.12430***

***Significant at the 1% level, ** Significant at 5% level, * Significant at 10% level

Source: Author’s calculation

Model Building. The correlogram of the oil price presented in Table 1A in the Appendix shows the autocorrelation coefficients computed for the oil price series at different lag. It is clear that the autocorrelation function (ACF) tapers off and the partial autocorrelation (PACF) cuts off. It may be concluded then that this model is autoregressive (AR) of order one since PACF cuts off at 1. The AR 1 model is specified as:

$$P_t = \alpha P_{t-1} + u_t \tag{Equation 3}$$

$$u_t = \rho u_{t-1} + e_t \tag{Equation 4}$$

The parameter ρ is the first order serial correlation coefficient. In effect, the AR 1 model incorporates the residual from the past observation into the regression model for the current observation. Since the oil process is not stationary, the series has to be differentiated and the model estimation (computed data presented in Table 2A in the Appendix) is:

$$\Delta P_t = 0.017373 - 0.045657 \Delta P_{t-1} + e_t$$

(0.872057) (-2.838898)

According to equation estimation, the variable ΔP_{t-1} is significant at 1%. After estimating the model, the next step is to test if there is autocorrelation between the

residuals. Auto correlation test shows whether the serial correlation coefficients are significantly different from zero. The null hypothesis of the test is that there is no serial correlation in the residual up to the specified order. The test reported in Table 3A in the Appendix accepts the hypothesis of no serial correlation up to order 2, since the probability is greater than 5% and the Durbin Watson is around 2. The serial correlation test indicates that the residuals are not serial correlated and the equation can be used for hypothesis test or forecasting but the R-squared is very low.

Volatility Test. To test and measure the volatility, the ARCH and GARCH models are used. The test results reported in Table 4A in the Appendix indicate that the probability of each ARCH and GARCH is high. The estimation of Equation 2 is the following:

$$\sigma_t^2 = 8.65E-08 + 0.053035 \epsilon_{t-1}^2 + 0.932891 \sigma_{t-1}^2$$

$$\langle 5.328880 \rangle \langle 12.032338 \rangle \langle 150.7912 \rangle$$

The sum of ARCH and GARCH $(\alpha + \beta)$ is very close to one, indicating that volatility shocks are quite persistent that is often observed in high frequency financial data. The fitting of the GARCH model shows high price volatility and periods of volatility clustering in the data sample under study.

6. Oil Price Determination Process

This section models the oil price determination process with crude oil price as the dependent variable.

Model Explanation

Since the world oil demand is mainly influenced by the world gross domestic product, the oil demand is represented in this study by the world real gross domestic product. However, the oil supply is represented by the world oil production. The two other explanatory variables are the SDR/\$ exchange rate and the total⁽¹⁵⁾ open interest representing respectively the variation of the \$ value and the speculation in the oil market.

The following equation represents a model for oil price determination:

$$\text{LogPrice}_t = b_0 + b_1 \text{LogGDP}_t + b_2 \text{LogOutput}_t + b_3 \text{LogRate}_t + b_4 \text{LogSpeculation}_t + u_t$$

(Equation 5)

in which U_t = noise disturbance term at time t , Price is the nominal crude oil price. GDP is the world real GDP which is calculated in dividing the world GDP by the world consumer price index (CPI). Production is the volume of world oil production per day (OPEC and non-OPEC countries). $\text{Rate}^{(16)}$ is the value of one SDR in terms of \$. Speculation is the oil open interest contract in NYMEX. Quarterly data from the first quarter of 1995, Q1 to the last quarter of 2008 are used for all variables.⁽¹⁷⁾ All variables except exchange rate are in logarithm form:

Price _{t} = crude oil nominal price, in US\$ per bl, $P_t = \text{Log}(\text{Price})_t$;

Output _{t} = world crude oil output, in millions of barrels per day, $q_t = \text{Log}(\text{Output})_t$;

GDP _{t} = real GDP for world economy, $Y_t = \text{Log}(\text{GDP})_t$;

Rate _{t} = the value of SDR in terms of \$, $X_t = \text{Log}(\text{Rate})_t$;

Speculation _{t} = the total open rate contract, $S_t = \text{Log}(\text{speculation})_t$;

It is expected that the regression coefficient associated with the GDP to be positive – an increase in real world GDP will increase oil demand and increase oil prices. It is also expected that the production coefficient will be negative – an increase in oil production will increase the oil supply and reduce real oil price by reducing reliance on current production and thereby lowering the risk premium associated with a supply disruption.

A positive relationship is also expected between exchange rates SDR/\$ and crude oil prices. This effect may be understood in two ways. The first way is since all oil contracts are concluded in \$, the increase in exchange rate which means a depreciation in the \$ value makes the oil less expensive, the demand for crude oil then increases and also the oil prices. The other way is that an increase of the SDR/\$ exchange rate value reduces the real oil price, producers will react by reducing their production. The nominal oil price will then increase as response to the decrease in production.

Finally, the speculation coefficient is expected to be positive. In fact, high oil price volatility implies profit opportunities. The future contracts become important financial assets for the speculator and the development of paper oil market activity increases the future oil prices affecting the spot oil prices positively.

Econometric Methodology

The concept of co-integration, first introduced into the literature by Granger (1981), is relevant to the problem of the determination of long-run or equilibrium relationships in economics. From a statistical point of view, a long-term relationship

means that the variables move together over time so that short-term disturbances from the long-term trend will be corrected.

If the similarly integrated series in any given model are co-integrated, then linear combinations of these variables will converge to stationary long-run equilibrium relationships. Thus, the non-stationary property of the series must be considered first. Testing for co-integration is the second stage of pre-testing. Passing this stage is a prerequisite to move on to the model building.

To test for co-integration, the method developed by Johansen in Johansen and Juselius (1988) is used. This method allows knowing the number of co-integrating vectors. It also allows using the vector error correction model (VEC)⁽¹⁸⁾ to estimate Equation 5. The VEC⁽¹⁹⁾ has co-integration relations built into the specification so that it restricts the long-run behavior or the endogenous variables to converge to their co-integrating relationships while allowing for short-run adjustment dynamic.

The co-integration term is known as the error correction term since the deviation from long-run equation is corrected gradually through a series of partial short-run adjustment. The Johansen procedure VEC has three steps: (a) The first step is to determine the co integration order of the variables; (b) The second is to determine the model and determine the rank⁽²⁰⁾ (r) of π ; and (c) The third and final step is to determine the model order using Akaike (1974) and Schwarz (1978) criteria information.

Results and Discussion

Stationary Test. Table 2 indicates that all variables are stationary in first difference.

Co-integration Test. Since all variables being $I(1)$, the test for co-integration is the next step. By using the log-level form of the series, a multivariate co-integration relationship is estimated to establish the existence of a long-run equilibrium relationship. The Johansen's Maximum Likelihood co-integration test relations are estimated with the intercept and linear deterministic trend in a Vector Auto Regression (VAR) model of order 1 with a lag length of 1, which is found to be the most parsimonious for the data series. The Johansen co-integration tests are based on the Maximum Eigenvalue of the stochastic matrix as well as the Likelihood ratio test which is in turn, based on the trace of the stochastic matrix.

Table 2. Unit Root Tests for Individual Series in Log

Variables	Lag	Calculated ADF in Levels	Lag	Calculated ADF in Differences
Pt	0	-1.352627	0	-3.975680***
	1	-2.804193	0	-3.817831**
	0	0.338087	0	-4.058995***
Yt	0	-2.744762	0	-6.765271***
	0	-1.629020	0	-7.604679***
	0	2.179798	0	-6.152061***
Qt	0	-0.79332	0	-5.955879***
	1	-1.919926	0	-5.995184***
	0	2.077912	0	-5.658203***
St	0	3.231538	1	-10.25595***
	0	1.362664	2	-10.36686***
	0	2.167697	1	-3.007523***
Xt	0	-1.399521	0	-6.866813***
	0	-2.262387	0	-7.195887***
	0	-0.029410	0	-9.218446***

*** Significant at the 1% level, ** Significant at 5% level, * Significant at 10% level

Source: Author's calculation

Table 5A in the Appendix shows the summary results of the Johansen's Maximum Likelihood co-integration test. For the null hypothesis of $r = 0$, the calculated trace statistics is larger than its critical value and calculated maximum Eigenvalue is also larger than its critical value at 5% level of significance. From the results, it is evident that both the trace test and maximum Eigenvalue test indicate one co-integrating equation as the null hypothesis of $r = 0$ is rejected. Thus, it may be concluded that there is a unique long-run equilibrium relationship between the variables.

Vector Error Correction Model. According to Akaike (1974) and Schwarz (1978), it is concluded that it is better to take the model in lag 2. Both the short- and long-run estimates as well as diagnostics are presented in Table 6A in the Appendix. It may be observed that the model fits the observed data fairly and significance of estimated relationships as indicated by the adjusted R^2 (0.506553) and F-statistic (3.546295) of the relevant error correction equation. The error correction coefficient (-0.425784), which measures the speed of adjustment towards long-run equilibrium carries the expected negative sign and it is highly significant at the 1% level.

The Long-Run Model Estimation:

$$P_t = -0.3432097Y_t - 6.264824Q_t + 0.187254S_t + 2.277338X_t - 0.067494Trend - 124.3669$$

$$\begin{matrix} (0.98814) & (2.55504) & (-1.03638) & (1.70298) & (-6.41120) \end{matrix}$$

In the long run, the variable production is statistically significant with high elasticity level (-6). The negative sign of the production coefficient indicates the inverse relation between the volume of oil production and oil price as expected. A decrease of the world production by 1% increases the oil price by 6%. All other explanatory variables are not statistically significant. On the other hand, the estimation shows a significant trend in the long-run equilibrium price.

The Short-Run Model Estimation:

$$\Delta P_t = -0.425784 e_{t-1} - 0.030893 \Delta P_{t-1} + 0.329185 \Delta P_{t-2} + 0.00663 \Delta Y_{t-1}$$

$$\begin{matrix} (-5.04962) & (0.25244) & (2.36444) & (0.03583) \end{matrix}$$

$$+ 0.574039 \Delta Y_{t-2} + 1.243717 \Delta Q_{t-1} + 2.57053 \Delta Q_{t-2} + 0.85256 \Delta S_{t-1}$$

$$\begin{matrix} (2.97119) & (0.68751) & (1.22812) & (0.51929) \end{matrix}$$

$$- 0.192335 \Delta S_{t-2} + 3.677654 \Delta X_{t-1} + 1.882559 \Delta X_{t-2} - 0.004688$$

$$\begin{matrix} (-1.33974) & (2.94669) & (1.56280) & (-0.21961) \end{matrix}$$

The short-run equilibrium estimation shows that the variable price in time $t-2$ is statistically significant and affects the oil price in time t . It also shows that the variable real GDP is statistically significant at the 1% level. Then an increase in real GDP in time $t-2$ has an increasing effect on oil price in time t . The variable exchange rate in time $t-1$, which measures the value of \$ in terms of SDR is significant. The positive sign of the coefficient indicates that a depreciation of the value of dollar increases the oil price in the short run.

The estimated parameters suggest that an increase in real GDP by one unit, results in an increase of oil price by 57% in six months ahead, while an increase by one unit in exchange rate (\$ depreciation) results in an oil price increase by 367% in three months ahead. However, the variable speculation is not statistically significant in determining oil price.

6. Conclusion

Oil price fluctuated with an upward steady trend during the two last decades. This paper builds a linear model for oil price determination using five variables: (a) the spot crude oil price; (b) the real world real GDP; (c) the world oil production; (d) the SDR/\$ exchange rate; and (e) the total open interest. The co-integration test shows that these variables move together, it validates the existence of a long-run relationship between these economic and financial variables. The VEC results allow however, estimating the adjustment dynamic of variables in the short term.

In relation to the real world GDP, in the short run, the variable real world GDP affects positively the oil price. An increase in real world GDP increases the oil demand and the oil price by consequences. In the long run however, the relation between oil price and real world GDP is negative. This may be explained by the fact that high oil price stimulates industrial countries which aim to sustain economic growth to develop and use oil alternatives affecting negatively the oil demand and consequently, the oil price. Furthermore, in order to control inflation caused by high oil price, the monetary authorities in oil-consuming countries may adopt restrictive monetary policies which could slow the economy's growth. Additionally, if oil product prices rise, and consumers are unable or unwilling to reduce oil product consumption, consumers may reduce expenditures on other goods and services, again potentially slowing the rate of GDP growth. To validate these observations, further investigations are needed such as extending the model to include variables representing the use of oil substitutes, the monetary policy and the consumption of manufactured products in oil consuming countries.

On other hand, relatively to SDR/\$ exchange rate, in the short run, depreciation in the dollar value, an increase in the variable SDR/\$ exchange rate, affects positively the oil price as expected. The invoice of oil importing-countries is then appreciated. In the long run however, oil-importing nations develop strategies in order to reduce the impact of dollar depreciation on the oil price and hence, on the inflation. Therefore, in the long run, the variable exchange rate becomes insignificant after being significant in the short run but with the positive expected sign.

Furthermore, since OPEC is the main player in the supply side, the OPEC production policy is a determinant factor for the oil price level in the long run. The crude oil market is then a-semi cartel equilibrium in the long run.

To recapitulate:

- In the short run, the oil price responds to the world real GDP growth and increases slowly. The oil sale return is then higher for oil exporting–countries. Furthermore, since a depreciation in the \$ value increases the oil price, exporter countries preserve their profit level in weak dollar period.
- In the long run, the oil exporting–countries can make a real influence on the oil price by their production level. Moreover, in the long run, the oil price is mainly directed by the OPEC production policy.
- Oil exporting–countries are the winners of the oil supply and demand game in the short, as well, as the long run.

Footnotes

(1) SDR: These rates are the official rates used by the IMF to conduct operations with member countries. The rates are derived from the currency's representative exchange rate, as reported by the issuing Central Bank.

(2) Kaufmann (1995) outlined a model for the world oil market that accounts for changes in the economic, geological and political environment. This model is divided into three blocks: (a) demand; (b) supply; and (c) real oil import price. In a new specification, Kaufmann et al. (2004 and 2007) placed much more emphasis on OPEC's behavior, since it accounts for OPEC overproduction besides OPEC quota and capacity utilization. Furthermore, the modified model outlines the impact of a new variable – the number of days of forward consumption proxied by the ratio of OECD oil stocks to OECD oil demand.

(3) It is classified according to its grade and origin. The grade of oil is determined by its relative weight gravity. The American Petroleum Institute (API) gravity is a specific gravity scale developed for measuring the relative density of various petroleum liquids, sulphur content (sweet or sour) and viscosity (light, intermediate or heavy). In terms of origin, oil is classified into <streams> which are then priced in relation to a <benchmark> grade. One such benchmark oil stream is Brent Crude which comes from the Brent and Ninian pipeline systems in the East Shetland Basin of the North Sea. Oil produced in Europe, Africa and the Middle East tends to be priced off this benchmark. The other benchmarks are West Texas Intermediate (WTI) for North American oil (a light, sweet crude); Dubai, a benchmark for Middle East oil flowing to the Asia–Pacific region; Tapis from Malaysia, used as a reference for light Far East oil; and Minas, from Indonesia which is used as reference for heavy Far East oil. There is also the OPEC basket which is a mix of light and heavy crude and is therefore heavier than both Brent and WTI.

(4) International Monetary Fund, World Economic Outlook (2004)

(5) BP Statistical Review of World Energy (2004).

(6) Commitments to supply petroleum for a price and time period specified in advance.

(7) Spot market prices are for current delivery of physical oil.

(8) In the futures oil markets, a contract can be entered into at a known price to purchase oil in a given number of months, enabling the purchaser to lock in the future price of oil and eliminate price uncertainty. If the price at the future date turns out to be higher than the futures contract price, the purchaser clearly benefits. If it is lower, the purchaser would have been better off not having entered into the contract. A seller of oil participates in the futures markets in the same way, with the impact of the difference between actual and futures prices reversed. There are variants of this basic setup with varying degrees of sophistication and cost.

- (9) The total number of futures contracts, long or short in a delivery month or market that has been entered into and not yet liquidated by an offsetting transaction or fulfilled by delivery. Also called open contracts or open commitments.
- (10) Haigh, et al. (2007) found similar results using a different framework, while Merino and Ortiz (2005) suggested that speculation could have an impact on prices once the effect of inventories is taken out. Extending the analysis to include inventories, however, did not change the basic results.
- (11) Generalized Autoregressive Conditional Heteroskedasticity (GARCH). GARCH model is consistent with the volatility clustering often seen in financial returns data, when large changes in return are likely to be followed by further large changes.
- (12) This specification is often interpreted in a financial context, when an agent trader predicts this period's variance by forming a weighted average of a long-term average (the constant), the forecasted variance from last period (the GARCH term: α), and information about volatility observed in the previous period (the ARCH term: β). If the asset return is unexpectedly large in either the upward or the downward direction, then the trader will increase the estimate of the variance for the next period.
- (13) Dickey and Fuller (1981)
- (14) Box-Jenkins found a way for building the appropriate model. Their procedure follows three steps: (a) Identification of the model; (b) Estimation of the model; and (c) Diagnostic checking (validation).
- (15) In this study, the total open interest is considered because as already mentioned, the distinction between commercial and non-commercial traders is increasingly blurred as non-commercial traders may enter into swap arrangements in which commercial traders act as their agent.
- (16) A rate increase means \$ depreciation.
- (17) Data of oil price and production are obtained from the Illinois Oil and Gas Association (IOGA), the Exchange rate of US dollar per SDR from the IMF (International Monetary Fund) and also the world gross domestic product and CPI from the same source. The open interest is obtained from the Commodity Future Trading Commission (CFTC).
- (18) Enders, 2004.
- (19) A VEC model is a restricted VAR designed for use with non-stationary series that are known to be co-integrated.
- (20) $\Delta Z_t = a_0 + \pi Z_{t-1} + \pi_1 \Delta Z_{t-1} + \epsilon_t$, where $Z_t = (Pt, Y_t, Q_t, X_t, S_t)$ is the endogenous variable matrix and n is the number of variables. If $r = n$, all the variables are stationary, then variables are considered in levels since no spurious regression and no need to use the Error Correction model. In this case, the VAR model is used to accomplish the regression. If $r=0$, there is no co-integration vector, the Error Correction model cannot be used, but the VAR in difference. If $r \leq n-1$, there is co-integration vector. When $r = n-1$, the Johansen procedure can be used.

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Appendix

Table A.1 Correlogram of the Oil Price Series

Sample: 1 3863 Included observations: 3863						
Autocorrelation	Partial Correlation		AC ⁿ	PAC	Q-Stat	Prob
*****	*****	1	0.998	0.998	3850.1	0.000
*****		2	0.996	0.050	7687.1	0.000
*****		3	0.994	0.044	11512.	0.000
*****		4	0.993	-0.011	15325.	0.000
*****		5	0.991	-0.015	19125.	0.000
*****		6	0.989	0.030	22913.	0.000
*****		7	0.988	-0.004	26690.	0.000
*****		8	0.986	-0.008	30454.	0.000
*****		9	0.984	0.011	34207.	0.000
*****		10	0.983	0.015	37949.	0.000
*****		11	0.981	0.014	41680.	0.000
*****		12	0.980	-0.006	45399.	0.000
*****		13	0.978	-0.053	49107.	0.000
*****		14	0.976	-0.020	52801.	0.000
*****		15	0.974	-0.005	56482.	0.000
*****		16	0.972	-0.019	60150.	0.000
*****		17	0.970	0.002	63804.	0.000
*****		18	0.968	0.016	67446.	0.000
*****		19	0.967	0.020	71075.	0.000
*****		20	0.965	-0.008	74692.	0.000
*****		21	0.963	-0.002	78297.	0.000
*****		22	0.961	-0.007	81889.	0.000
*****		23	0.960	0.008	85468.	0.000
*****		24	0.958	-0.023	89035.	0.000
*****		25	0.956	0.024	92590.	0.000
*****		26	0.954	-0.032	96132.	0.000
*****		27	0.952	0.010	99661.	0.000
*****		28	0.950	-0.014	103177	0.000
*****		29	0.948	-0.025	106679	0.000
*****		30	0.946	-0.028	110166	0.000
*****		31	0.944	0.004	113640	0.000
*****		32	0.942	-0.046	117098	0.000
*****		33	0.940	-0.033	120539	0.000
*****		34	0.937	0.010	123966	0.000
*****		35	0.935	0.015	127377	0.000
*****		36	0.933	-0.010	130772	0.000

Table A.2 Oil Price Model Estimation

Dependent Variable: D(P)				
Method: Least Squares				
Sample (adjusted): 3 3863				
Included observations: 3861 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.017373	0.019922	0.872057	0.3832
D(P<-1>)	-0.045657	0.016083	-2.838898	0.0046
R-squared	0.022084	Mean dependent var		0.016628
Adjusted R-squared	0.001826	S.D. dependent var		1.238911
S.E. of regression	1.237780	Akaike info criterion		-3.265034
Sum squared resid	5912.373	Schwarz criterion		-3.568276
Log likelihood	-6301.148	F-statistic		8.059344
Durbin-Watson stat	2.004166	Prob(F-statistic)		0.004551

Source: Author's calculation

Table A.3 Test for Serial Correlation in the Residuals

Breusch-Godfrey Serial Correlation LM Test:				
F-statistic	2.671524	Probability	0.009411	
Obs*R-squared	3.330137	Probability	0.009419	
Test Equation:				
Dependent Variable: RESID				
Method: Least Squares				
Presample missing value lagged residuals set to zero.				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.056314	0.129380	-0.435258	0.6634
D(P<-1>)	3.386355	7.693997	0.440130	0.6599
RESID<-1>	-3.388376	7.693228	-0.440436	0.6596
RESID<-2>	0.105993	0.351671	0.301399	0.7631
R-squared	0.002417	Mean dependent var		-1.06E-17
Adjusted R-squared	0.001641	S.D. dependent var		1.237620
S.E. of regression	1.236604	Akaike info criterion		-3.263651
Sum squared resid	5898.085	Schwarz criterion		-3.270135
Log likelihood	-6296.478	F-statistic		3.114350
Durbin-Watson stat	2.000167	Prob(F-statistic)		0.025176

Source: Author's calculation

Table A.4 Estimation of the ARCH Model

Dependent Variable: DLOG(P) Method: ML - ARCH (Marquardt) - Normal distribution Sample (adjusted): 2 3863 Included observations: 3862 after adjustments Convergence achieved after 12 iterations Variance backcast: ON GARCH = C(2) + C(3)*RESID(-1)^2 + C(4)*GARCH(-1)				
	Coefficient	Std. Error	z-Statistic	Prob.
C	0.000688	0.000337	2.040133	0.0413
Variance Equation				
C	8.65E-06	1.62E-06	5.328880	0.0000
RESID(-1)^2	0.053035	0.004408	12.03238	0.0000
GARCH(-1)	0.932891	0.006187	150.7912	0.0000
R-squared	-0.000142	Mean dependent var		0.000390
Adjusted R-squared	-0.000920	S.D. dependent var		0.024994
S.E. of regression	0.025005	Akaike info criterion		-4.708430
Sum squared resid	2.412299	Schwarz criterion		-4.701948
Log likelihood	9095.979	Durbin-Watson stat		2.016771

Source: Author's calculation"

Table A.5 Johansen Cointegration Test

Sample (adjusted): 3 53 Included observations: 51 after adjustments Trend assumption: Linear deterministic trend (restricted) Series: P Y Q S X" Series: P Y Q S X" Lags interval (in first differences): 1 to 1 Unrestricted Cointegration Rank Test (Trace)				
Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	Hypothesized No. of CE(s)	Eigenvalue
None *	0.491471	90.11906	None *	0.491471
At most 1	0.453631	55.63114	At most 1	0.453631
At most 2	0.220991	24.80361	At most 2	0.220991
At most 3	0.145467	12.06727	At most 3	0.145467
At most 4	0.076341	4.050047	At most 4	0.076341

Trace test indicates 1 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

* *MacKinnon-Haug-Michelis (1999) p-values

Source: Author's calculation

Table A.6 Vector Error Correction Estimation

Vector Error Correction Estimates					
Sample (adjusted): 4 53					
Included observations: 50 after adjustments					
Standard errors in () & t-statistics in []					
Cointegrating Eq:	CointEq1				
P(-1)	1.000000				
Y(-1)	0.343209				
	(0.34733)				
	[0.98814]				
Q(-1)	6.264824				
	(2.45195)				
	[2.55504]				
S(-1)	-0.187254				
	(0.18068)				
	[-1.03638]				
X(-1)	2.277338				
	(1.33727)				
	[1.70298]				
*TREND(1)	-0.067494				
	(0.01053)				
	[-6.41120]				
C	-124.3669				
Error Correction:	D(P)	D(Y)	D(Q)	D(S)	D(X)
CointEq1	-0.425784	0.034796	0.000579	-0.168256	0.034490
	(0.08432)	(0.08620)	(0.00740)	(0.08917)	(0.01197)
	[-5.04962]	[0.40366]	[0.07826]	[-1.88686]	[2.88101]
D(P(-1))	0.030893	-0.086953	0.019917	-0.293007	-0.031276
	(0.12238)	(0.12511)	(0.01074)	(0.12942)	(0.01737)
	[0.25244]	[-0.69503]	[1.85496]	[-2.26403]	[-1.80011]
D(P(-2))	0.329185	-0.036225	0.034586	0.064254	0.020479
	(0.13922)	(0.14233)	(0.01222)	(0.14724)	(0.01977)
	[2.36444]	[-0.25452]	[2.83135]	[0.43640]	[1.03604]
D(Y(-1))	0.006631	-0.140908	-0.005019	-0.363669	-0.024947
	(0.18507)	(0.18920)	(0.01624)	(0.19572)	(0.02628)
	[0.03583]	[-0.74474]	[-0.30912]	[-1.85807]	[-0.94944]
D(Y(-2))	0.574039	-0.243912	0.020443	0.275659	0.007804
	(0.19320)	(0.19751)	(0.01695)	(0.20432)	(0.02743)
	[2.97119]	[-1.23492]	[1.20598]	[1.34916]	[0.28452]

Table A.6 continued ...

D(Q<-1>)	1.243717	0.892431	0.067664	0.803991	0.190870
	(1.80900)	(1.84937)	(0.15872)	(1.91310)	(0.25683)
	[0.68751]	[0.48256]	[0.42631]	[0.42025]	[0.74317]
D(Q<-2>)	2.057053	0.533687	0.002579	0.334808	-0.060143
	(1.67496)	(1.71233)	(0.14696)	(1.77134)	(0.23780)
	[1.22812]	[0.31167]	[0.01755]	[0.18901]	[-0.25291]
D(S<-1>)	0.085256	-0.080569	-0.015059	-0.162128	0.018463
	(0.16418)	(0.16784)	(0.01440)	(0.17362)	(0.02331)
	[0.51929]	[-0.48004]	[-1.04545]	[-0.93378]	[0.79212]
D(S<-2>)	-0.192335	0.079164	-0.042294	-0.069541	0.007120
	(0.14356)	(0.14676)	(0.01260)	(0.15182)	(0.02038)
	[-1.33974]	[0.53940]	[-3.35778]	[-0.45804]	[0.34931]
D(X<-1>)	3.677654	0.354232	-0.093062	1.331154	-0.182009
	(1.24806)	(1.27591)	(0.10950)	(1.31988)	(0.17719)
	[2.94669]	[0.27763]	[-0.84985]	[1.00854]	[-1.02718]
D(X<-2>)	1.882559	0.713199	0.005746	1.095911	-0.285411
	(1.20461)	(1.23149)	(0.10569)	(1.27392)	(0.17102)
	[1.56280]	[0.57914]	[0.05436]	[0.86026]	[-1.66884]
C	-0.004688	0.046352	0.002857	0.054464	-0.001420
	(0.02135)	(0.02182)	(0.00187)	(0.02258)	(0.00303)
	[-0.21961]	[2.12384]	[1.52554]	[2.41242]	[-0.46866]
R-squared	0.506553	0.114012	0.446490	0.383390	0.384257
Adj. R-squared	0.363713	-0.142458	0.286264	0.204898	0.206015
Sum sq. resids	0.441072	0.460976	0.003395	0.493296	0.008891
S.E. equation	0.107737	0.110141	0.009453	0.113936	0.015296
F-statistic	3.546295	0.444543	2.786618	2.147938	2.155821
Log likelihood	47.31730	46.21386	168.9867	44.51978	144.9226
Akaike AIC	-1.412692	-1.368555	-6.279467	-1.300791	-5.316903
Schwarz SC	-0.953807	-0.909669	-5.820581	-0.841906	-4.858017
Mean dependent	0.035103	0.032370	0.003334	0.039095	-0.001116
S.D. dependent	0.135063	0.103045	0.011189	0.127776	0.017166
Determinant resid covariance (dof adj.)		2.17E-14			
Determinant resid covariance		5.50E-15			
Log likelihood		466.1176			
Akaike information criterion		-16.00470			
Schwarz criterion		-13.48083			

Source: Author's calculation