

## Oil, Water and the Middle East Economy

Tel Aviv University International

Fall 2020

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This course will examine the role of oil, water, demography and economic policies in the development of the Middle East. The region's weak economic performance, relative to its wealth in natural resources, has been at the center of much analysis. This course will review explanations including the resource curse, structural economic imbalances, deficient institutions and political systems, foreign intervention, armed conflict, culture and religion.

Three Arab countries and two non-Arab countries will be analyzed in detail and students will have the opportunity to analyze developments in other countries. The relationship between the state and society will form the conclusions.

Weekly readings will be provided on Moodle and supplemented by the reading list that includes books, articles and websites.

Grade will be based on student participation, presentations (30% of the overall grade) and a final paper (70%).

### Syllabus

1. What is economic development? How do Middle East countries compare with other developing regions?
2. Demographic Growth: Population growth, transition and effects on the economy.
3. Agriculture and Water: The role of natural resources and geography in economic development.
4. Oil and gas. The dominant role of hydrocarbons in the economic development and political economy of the region.
5. Economic policy: Arab socialism, the Washington consensus.
6. The Arab Spring and its aftermath. What was the Arab Spring, why did it happen and what were its consequences?
7. Egypt: The Center of the Arab World. Why has Egypt's economy not taken off?

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8. Iraq: Torn by War, internal divisions and external intervention.
9. Saudi Arabia: The Tribal Monarchy and Oil Giant. How is the Kingdom trying to reform?
10. Iran: Forty Years after the Islamic Revolution. War, sanctions, mismanagement and regime survival.
11. Turkey: Between Europe and the Middle East. Ten years ago, Turkey became the 18<sup>th</sup> largest economy, but has stagnated since.
12. Conclusions: State and Society in the Middle East. Strong state and weak society?

### Readings (Tentative – Subject to Change)

1. What is economic development?  
Shantayanan Devarajan and Howard Pack.  
The Lack of Productive Employment in the Middle East and North Africa: A Comparison with East Asia  
<http://erf.org.eg/publications/the-lack-of-productive-employment-in-the-middle-east-and-north-africa-a-comparison-with-east-asia/>  
Khalid Abu-Ismael and Sherine Farouk Ghoneim. Rethinking inequality in Arab Countries  
<https://theforum.erf.org.eg/2019/12/24/rethinking-inequality-arab-countries-latest-research-evidence/>  
Rethinking Inequality in Arab Countries  
<https://www.unescwa.org/publications/rethinking-inequality-arab-countries>
2. Demographic Growth  
Rivlin Chap 2, Cammett Chap 4
3. Agriculture and Water  
Cammett Chap 6, Sachs
4. Oil and gas.  
Cammett Chap 9,  
IMF. The Future of Oil and Fiscal Sustainability in the GCC region.  
<https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2020/01/31/The-Future-of-Oil-and-Fiscal-Sustainability-in-the-GCC-Region-48934>  
Financial Times. Can the world kick its oil habit?  
<https://www.ft.com/content/dddb57ec-4d2d-11ea-95a0-43d18ec715f5>



5. Economic policy

Rivlin 2001 Chap 1; Ikram 2018 Chap 1 and 2;

On Ideas and Economic Policy: A Survey of MENA Economists: <https://erf.org.eg/publications/on-ideas-and-economic-policy-a-survey-of-mena-economists/>

6. The Arab Spring and its aftermath

Rivlin In Iqtisadi: 5 October 2010, 23 January 2014.

Shlomo Avineri, The Remaking of the Middle East. <https://www.project-syndicate.org/commentary/the-collapse-of-the-arab-state-system-by-shlomo-avineri?barrier=accesspaylog>

Efstratia Arampatzi, Martijn Burger, Elena Ianchovichina, Tina Röhricht, and Ruut Veenhoven. 2015. "Unhappy Development: Dissatisfaction with Life on the Eve of the Arab Spring". World Bank Policy Research Working Paper no. 7488. 4.

[documents.worldbank.org/curated/en/704681468198531465/Unhappy-development-dissatisfaction-with-life-on-the-eve-of-the-Arab-spring;jsessionid=29isVvwhe9Z8Fx-12+W4Eg3D](https://documents.worldbank.org/curated/en/704681468198531465/Unhappy-development-dissatisfaction-with-life-on-the-eve-of-the-Arab-spring;jsessionid=29isVvwhe9Z8Fx-12+W4Eg3D)

7. Egypt

Owen and Pamuk Chap 2 and 6,

Khalid Ikram. The Political Economy of Reforms in Egypt: Issues and Policymaking since 1952 Chaps 1 and 7

8. Iraq

Rivlin Chap 6

9. Saudi Arabia

Rivlin Chap 10

10. Iran

Amuzegar Chap 1,

Kevan Harris A Social Revolution: Politics and the Welfare State in Iran

11. Turkey

Owen and Pamuk: Chap 1 and 5

Sevket Pamuk, 2019. Uneven centuries: Turkey's experience with economic development since 1820. Economic History Review, vol, 72(4) pp. 1129-1151. November.

12. Conclusions

Cammett: Chap 14, Rivlin Iqtisadi, Daron Acemoglu and James Robinson. The Narrow Corridor, 2019.

