

Oil, Water and the Middle East Economy

Dr. Paul Rivlin

Fall Semester 2020

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Contact by email to arrange meetings

Course Credits: 3 TAU Semester Credits

For course times/days and location, please visit the TAU International web site (Study Abroad Course Offerings and Schedules). Please note that all information below is subject to change and/or adjustment as necessary.

Course Description (Summary)

The course will examine the role of oil, water, demography and economic policies in the development of the Middle East. It will review explanations for the economic problems of the region including the resource curse, structural imbalances, deficient institutions and political systems, foreign intervention, armed conflict, culture and religion. Recent developments will be placed in their historical context. Three Arab countries – Egypt, Iraq and Saudi Arabia – and two non-Arab countries – Iran and Turkey will be analyzed in detail and students will have the opportunity to analyze developments in other countries. In conclusion, the relationship between the state and society will be analyzed.

Course Requirements and Expectations

The course requires attending lectures, reading materials and class contributions made in small groups. A final paper will account for most of the grade and will be developed by students with help from the lecturer.

Learning Outcomes

The aim of the course is to increasing understanding of developments in the Middle East and will introduce students to development economics.

Evaluation Criteria

Attendance and the mid-term presentation account for 30% of the marks and the final paper for 70%. The final paper, 2,000-2,500 words long, is due one week after the course ends.

Absence Policy

Please note the TAU International Absence Policy as outlined on the next page.



Course Schedule

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?
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 18th largest economy, but has stagnated since.
12. Conclusions: State and Society in the Middle East. Strong state and weak society?



Readings

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-Ismaïl 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

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:

erf.org.eg/publications/on-ideas-and-economic-policy-a-survey-of-mena-economists/

6. The Arab Spring and its aftermath

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

<https://dayan.org/journal/iqtisadi-middle-east-economy>



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 Röhrich, 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

7. Egypt

Owen and Pamuk Chap 2 and 6.
Khalid Ikram. Chaps 1 and 7

8. Iraq

Rivlin Chap 6
Gunter Chap 1 and 6.

9. Saudi Arabia

Rivlin Chap 10, Kamiar Mohaddes, Jeffrey B. Nugent, and Hoda Selim: Chap 2.

10. Iran

Amuzegar Chap 1, 2.
Harris Chap 1 and conclusion.

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,
Diwan et al Chap 1 and 2

Main books

Jahangir Amuzegar. *The Islamic Republic of Iran: Reflections on an Emerging Economy*, 2014.

(electronic copy)

Melani Cammet, Ishac Diwan, Alan Richards, John Waterbury. *A Political Economy of the Middle East*, 4th edition, 2013.

Ishac Diwan, Adeel Malik, and Izak Atiyas eds. *Crony Capitalism in the Middle East*



Business and Politics from Liberalization to the Arab Spring, 2019 (electronic copy)

Frank Gunter. *The Political Economy of Iraq*. 2013.

Kevan Harris. *A Social Revolution: Politics and the Welfare State in Iran*, 2017.

Khalid Ikram. *The Political Economy of Reforms in Egypt: Issues and Policymaking since 1952*, 2018

Kamiar Mohaddes, Jeffrey B. Nugent, and Hoda Selim eds. *Institutions and Macroeconomic Policies in Resource-Rich Arab Economies*, 2019. (electronic copy)

Roger Owen and Sevket Pamuk. *A History of the Middle East in the Twentieth Century*, 1999.

Paul Rivlin. *Arab Economies in the Twenty-First Century*. 2009 (electronic copy)

Paul Rivlin. *Economic Policy and Performance in the Arab World*. 2001 (electronic copy)

Robert Springborg. *Political Economies of the Middle East and North Africa*, 2020.

Instructor's Biography

Paul Rivlin is a senior fellow at the Moshe Dayan Center for Middle East and African Studies at Tel Aviv University. He studied at Cambridge, London and Harvard Universities and is the author of five books: *The Dynamics of Economic Policy Making in Egypt*; *The Israeli Economy*; *Economic Policy and Performance in the Arab World*; *Arab Economies in the Twenty First Century* and *The Israeli Economy from the Founding of the State to the Twenty-First Century* as well as monographs, papers, reports and contributions to books on economic development in the Middle East, international energy markets, defense and trade economics. He has taught at London and Ben Gurion Universities, the IDC Herzliya, and has been a visiting professor at Emory University. He is also the editor and regular contributor to the Dayan Center publication on Middle East Economics, *Iqtisadi*.

TAU International Academic Guidelines

Students may only attend classes which they are officially registered for. No auditing of courses is permitted. Students are responsible for reading and adhering to all policies and procedures in the TAU International Academic Handbook [posted here](#) at all times. Below is a summary of some of these relevant policies and procedures.

Learning Accommodations

In accordance to University guidelines, TAU International may be able to accommodate students with learning disabilities or accommodation requests if these requests are also honored at the student's home university or home school. To be considered, students must submit official documentation from their home school or university (if not in English, a notarized official copy translated into English is required) to TAU International in advance of arrival describing in detail any specific needs and how these are accommodated at the home school or university. Students must also bring a copy of this documentation with them on-site and give it to their faculty on

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the first day of class while introducing themselves so that the faculty know who they are and what sorts of needs or accommodations they may have. **Without official documentation from the home school submitted on or before the first day of courses, TAU will not be able to honor accommodation support.**

With supporting documentation and by following the correct procedure as outlined above, TAU International and its faculty will do the best it can to make any suitable accommodations possible. However, we cannot guarantee that all accommodations received at the home school can be similarly met at TAU. For example, TAU is usually not able to offer note-taking services in English, private testing rooms, or advance viewing of classroom presentations, exams, or assignments.

It may be an option to provide a student with additional tutoring or support outside the classroom as needed. Students should be aware that this additional support cannot be guaranteed and is based on teacher availability in the subject as well as the specific student level. If available, the cost of additional tutoring or support will be the sole responsibility of the student.

In-Class Exams

TAU does not permit, under any circumstances, taking any in-class (including mid or final) exams early or later than the scheduled exam day. When selecting courses, it is thus very important to note if there is an in-class midterm or final exam as this date/exam cannot be changed. It is also the student's responsibility to clarify exam dates with the professors at the beginning of a course, with the understanding that not all exam dates can be decided up front as it can sometimes depend on the pace of the course and class learning. It is the student responsibility to plan to be present for all courses including the final day of class for this reason. Early departures from the program are not approved, nor are early or exception in-class exams.

TAU International Absence Policy

Attendance is mandatory in all of the courses including Hebrew Ulpan. Faculty can and will take attendance regularly. Missing classes will be reflected in the final grade of the course. Up to three justified and properly documented absences from classes may be accepted (for example: emergency matter or illness, both of which will require a doctor's note). Such cases of absence should be reported to the faculty immediately and again, a doctor's note is required. Teachers are entitled to treat any lateness or absence without documentation as unexcused. Some of our courses such as Service Learning or the Internship Seminar require more practical in-class work; thus, attendance policies may be stricter in some courses and students then must adhere to the stricter attendance policy as outlined by the faculty/syllabus.

Students are required to arrive on time for classes. Teachers are entitled to treat any single case of lateness and/or repeated lateness as an unjustified absence.

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Please note that according to official TAU Academic Policy, if a student's behavior or attendance during is disagreeable his/her course participation may be cancelled at the discretion of TAU with no due refund.

Grade Appeals

Students are responsible for checking grades once posted or distributed by faculty. The limited grade appeals window and the detailed procedure for appealing a grade – whether a graded assignment, exam or final grade – is outlined clearly in the policies and procedures in the TAU International Academic Handbook [posted here](#).

