Abstract
Economic sanctions appear to be a common feature of political interactions between states. Economic sanctions have become increasingly important as an alternative to military conflict since the last decade of the twentieth century. This paper provides, through a gravity model, an estimation of the impact of economic sanctions on bilateral trade flows between Iran and its major trading partners during 2000–2011, disaggregated by the choice of the 1–digit sections of the Standard International Trade Classification including zero, two, five, six and seven codes. The results show that extensive and limited sanctions have a significant and negative impact on bilateral trade, except for exports of five and seven codes.

Keywords: economic sanctions, gravity model, international trade, panel data, standard international trade classification.

JEL classification: C23, D74, F14, F51
Application of fuzzy inference in evaluation of market structure of Iranian manufacturing industries
Mohsen Pourebadollahian Covich*
Associate Professor, Department of Economics, University of Tabriz, Tabriz, Iran
Pouyan Kiani
Ph.D. Student of Economics, Department of Economics, University of Tabriz, Tabriz, Iran
(Kiani.pu@gmail.com)
Received: 2014/11/20      Accepted: 2015/10/06

Abstract
Market structure is one of the most important characteristics of every industry. Although there is different indices such as concentration, economies of scale, entry of firms, product differentiation, etc. for the evaluation of market structure, most of the studies in the subject have used only one of these indices (usually concentration). In this study, by application of fuzzy inference approach, a comprehensive index is constructed by combination of concentration, economies of scale and the number of entering firms’ indices. The constructed comprehensive index is used for the evaluation of market structure of Iranian 4-digit ISIC manufacturing industries in 2007. The results indicate that in most of the industrial sub-sections, the calculated comprehensive index is low, which is mostly due to low values of economies of scale in such industries. Also, based on the results of calculated comprehensive index, the industries of manufacture of bricks and manufacture of jewellery and related articles are the most competitive and the most monopolistic industries, respectively.

Keywords: comprehensive index, concentration, economies of scale, fuzzy inference, Iran, manufacturing industries, market structure, number of entering firms.

JEL classification: L11, C02, L21

* Corresponding Author Email: Mohsen_p51@hotmail.com
Abstract

One of the main goals of government is to increase economic growth and public welfare. Therefore, recognition of useful factors that facilitate achievement of this goal plays a critical role in economic literature. This study focuses on the effect of gender inequality on the reduction of economic growth and investigates if gender inequality has a significant effect on economic development and growth? First, different aspects of gender inequality such as gender inequality in education, employment and wage are addressed. Then, the relationship between gender inequality and economic growth is tested. Our empirical findings are based on Panel-Data Regressions for OECD countries over 1990-2010. The results show that GDP per capita growth is negatively related to gender inequality in education and wage and has a nonlinear relationship with gender inequality in employment.

Keywords: economic growth, gender inequality, human capital, OECD countries, panel data.

JEL classification: C23, O40, J71
Estimation of value-at-risk with time varying skewness and kurtosis

Rasoul Sajjad
Assistant Professor in Financial Engineering, University of Science and Culture, Tehran, Iran
(rsajja@essex.ac.uk)

Mahsa Gorji*
MSc. in Financial Engineering, University of Raja, Qazvin, Iran

Received: 2014/05/07      Accepted: 2015/03/10

Abstract
This paper studies the effect of considering time varying skewness and kurtosis on the estimation of value at risk (VaR) for both long and short positions using the HYAPARCH model and daily data for Tehran Stock Exchange Price Index (TEPIX). Our results show that applying conditional distributions with time varying or constant skewness and degrees of freedom captures the asymmetry appropriately compared to the normal distribution. However, the VaR estimations of these models are conservative, moreover, they are appropriate for risk averse investors.

Keywords: asymmetry, HYAPARCH model, time varying skewness and kurtosis, value-at-risk.


* Corresponding Author Email: m.gorji@hotmail.com
Abstract
This paper measures the effects of exchange rate variation on price indices of different goods and inflation in Iran. To this end, the I-O Table Adjustment Price model in which the imported commodities are classified into intermediate input and final goods is expanded to meet the case in which the value added items are adjusted with respect to some indices. The results show that when, due to an increase in exchange rate, all of the value added components do not adjust, the “machine and equipment” group’s products that have the most share of import in goods inputs, have the most price increase. But when all of the value added components adjust, there is no significant difference between price indices of different goods, so all of them have almost equal change with exchange rate variation.

Keywords: exchange rate pass-through, price indices, input-output analysis, table adjustment price model, Iran.

JEL classification: F31, E31, C67
Abstract
This paper aims to analyze the effect of lack of capital investment on energy projects using game theory in the guise of cooperative games. The main focus is on the energy projects in the provincial level as case study during 2010-2011. Therefore, we designed a theoretical model of the lack of capital investment as a factor influencing the implementation of energy projects. In the experimental section, we determine the pay-off cooperative game based on the equilibria obtained from case study and using Nash bargaining solution. The results indicate that two players (government and private sector (contractor)) choose cooperative coalition since they take more gains rather than independent coalition of state. In this case, the government has higher bargaining power despite its lower discount rate, but the contractor fears that the government performs projects with its own contractors. For this reason, the contractor will have lower bargaining power, and the government’s share in cooperative coalition will be higher.

Keywords: capital investment, cooperative games, energy projects, game theory, Nash bargaining solution.

JEL classification: C71, H42, Q48
Abstract
Poverty alleviation program is the most important public sector policy. Designing effective policies for poverty reduction requires an identification of time change of socio-economic characteristics of households. If we want to investigate and evaluate the effects of specific supportive policies and programs in the field of poverty, we need to measure poverty changes over time. Income mobility is a new concept in Iranian economy issues. Differences in socio-economic status of individuals and/or different households can create inequality among individuals of society. Creating such inequalities has led to the formation of poverty and the change in income distribution. The aim of this study is to evaluate the effect of income mobility on the poverty in Iran. In this regard, using the econometric model Auto-Regresive Distributed Lag and using time series data during the years (1363-1392), the research topic was investigated. The results suggest that effectiveness of all the coefficients of the variables of the model is consistent with economic theories and income mobility has a negative and significant effect on poverty in the long term, and Error Correction Model shows that in each period, (each year) about 0.52 of short-term imbalances will be adjusted to achieve the long-term equilibrium.

Keywords: income mobility, poverty, ARDL, Iran.
JEL classification: D31, I32, O12

* Corresponding Author Email: Fotros@basu.ac.ir
Inflation persistence in Iran: A bootstrapping approach

Firouz Fallahi

Associate Professor in Economics, Faculty of Economics, Management, and Business, University of Tabriz, Tabriz, Iran

Received: 2014/10/19       Accepted: 2015/10/06

Abstract
Using quarterly data from 2002:1 to 2013:2, we study the persistence in the inflation rates in Iran based on the total CPI and the CPI in 12 subgroups. The persistence is investigated using two different tools: (i) the ADF unit root test and (ii) bootstrap confidence intervals. We calculate a 90% confidence interval for the sum of the autoregressive coefficients, as a measure of persistence, using the grid bootstrap approach proposed by Hansen (1999). The results show no sign of persistence in the following five subgroups: Communications; Food and Beverages; Food; Goods; and Transportation. On the other hand, the total inflation rate based on CPI and inflation in the Cloth, Education, Health, Recreation, and Shelter subgroups support the inflation persistence. For the remaining two subgroups, the results are mixed and inconclusive.

Keywords: bootstrap, confidence interval, inflation persistence, mean reversion, unit root.

JEL classification: E31, C22

1 Email: ffallahi@tabrizu.ac.ir
Abstract

The purpose of this paper is to reconsider the theoretical basis and paradigms of policy making and economic policies in Iran which have shown to be not appropriate for solving economic problems of the country. To do so, we introduced the multilevel and ultra-paradigm pattern for economic policy making in the country. The multilevel and Interdisciplinary approach have been proposed as a solution for reforming the economic policies and achieving economic development.

Keywords: economic policies, economy of Iran, multilevel approach, praxeology, theorizing.
JEL classification: B40, O2, Z10
Optimal pricing of public parking  
(Case study: zone 1 and 3 of Isfahan City)  
Babak Safari  
Assistant Professor, Department of Urban Economy, University of Isfahan, Isfahan, Iran  
(babak.saffari@gmail.com)  
Reza Nasr Esfahani  
Assistant Professor, Department of Urban Economy, Art University of Isfahan, Isfahan, Iran  
Eisa Moradi  
MSc. Student in Urban Economy, Art University of Isfahan, Isfahan, Iran  
(eisamoradi06@yahoo.com)  

Received: 2014/12/24     Accepted: 2015/10/06  

Abstract  
Optimal pricing of public parking can improve parking management. This leads to traffic flow, thereby reducing the cost of transportation network. In this paper, the transportation network with some origins, destinations, and public parking was considered. In the network, private cars drivers depending on travel time between origin and parking (driving time), travel time between parking and destination (walking time) and parking (price) cost, behave in a way to minimize the costs. The objective is minimizing the network cost with regard to the equilibrium behavior of private vehicle drivers. As a result, optimal prices for each parking is determined. Modeling for the central region of Isfahan with 6 origins, 5 destinations and 18 public parkings were conducted. Based on the results of modeling, prices ranging from 1,000 to 10,000 Rials were obtained whereby Farshadi Parking has the highest price. Moreover, the findings determined the parking optimal amount and the parking optimal flow.  

Keywords: Isfahan, optimal parking pricing, parking, transportation network.  
JEL classification: R41, R48, C61  

* Corresponding Author Email: r.nasr@aui.ac.ir