

The Effect of Oil Export Growth on Environmental Quality in Iran

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Abstract

Trade led to the development of economic activities in developing countries and increases the accumulation of environment polluting industries in these countries. Since environmental standards in these countries are low, trade expansion makes the environment more polluted. In the economic literature the effects of trade liberalization on the environment have been studied through various methods. Although, the mechanisms of effecting trade on the environment and its pollution have been studied theoretically and experimentally, but the impact of each element of the international trade (export and import) on the environment, has not been studied. In this study we examined the effects of oil export growth on environmental degradation in Iran. By using time series data for the period 1998 to 2011 and Cointegration and VAR approaches, the result show that increasing in the crude oil exports, increased emissions of methane and carbon dioxide in the environment and also increased water pollution. Therefore, policymakers in the country have to show more respect to the explicit and implicit costs of increase exports compared to exports of petroleum products that can cause environment pollution and degradation and sometimes reconsider their policies.

JEL Classification: C32, O13, O47

Keywords: Export of petroleum product, the environment, pollution, Cointegration approach, Iran.

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Credit Risk Management in Agricultural Bank of Mamasani Using Neural Network Model

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Abstract

This research has been done with the aim of identification of effective factors which influence credit risk and designing model for estimating credit risk of the farmers which have borrowed from an Agricultural Bank using Neural Network approach. For this purpose the necessary sample data on financial and non-financial information of 205 farmers which received loan in Mamasani township (as multi-stage and cluster random simple) in 1386-1391 period was selected. In this research, 17 explanatory variables (include financial and non-financial variables) were selected and analyzed. The variables as well as the input vector three-layer perceptron neural network models were added to the model. The results indicated that the neural network model was able to estimated the observations with 95.5% efficiency, this indicates the high ability of the neural network model to predict credit risk of customers.

JEL Classification: C40, C45, Q12, Q14

Keywords: Agricultural Sector, Credit Risk, MLP Neural Network Model, The Probability of Default

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Analyzing the Comparative Advantage in Honey Production in Iran by DRC Index

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Abstract

Iran is the eighth country in the world by producing 74 thousand and 577 tons of honey in 2013. It also ranks fourth in the number of hives in the world. In 2013 more than 74 thousand tons of honey is produced in the country valued at 1,149 million dollars. There is a high potential for production of export one hundred percent pure honey in Iran so more than 2 billion dollars acquired by exporting honey and it's accessories such as pollen, royal jelly and bee venom. Therefore it can be used as in our non-oil export baskets. In this article, index of comparative advantage in the export of honey in the country for 2009-2012 are calculated. For this purpose, the index of revealed comparative advantage (RCA), Location Quotient (LQ) and domestic resource cost (DRC) are computed. Result of study shows Ardabil and West Azerbaijan comparative higher advantages among country's provinces in production of honey. According to the results, index of domestic resource price, Iran has comparative advantage in production of honey.

JEL Classification: F10, Q14, Q17, P52.

Keywords: Comparative Advantage, Honey, Domestic Resource Cost (DRC), Location Quotient (LQ).

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Factors influencing the choice of strategy by firms operating in the food industry in Iran in order to gain competitive advantage

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Abstract

In today's competitive and challenging environment industries, management decisions in the field of business competitive advantage depends on many factors that identifying them can help managers to improve decision-making processes. The purpose of this study was to determine the factors that influence management decisions on the application of reduction (leadership) costs, product differentiation, cost focus and differentiation focus strategies in section 10 (food production) and 11 (to produce a variety of beverages) in ISIC division in the fourth edition of medium and large companies. The strategy to determine orientation of the management with Multinomial logit regression model is considered. The data of this study, gathered with 94 questionnaires from managers. Descriptive analysis of data from investigated companies shows that strategy of product differentiation with frequency 30% is selective strategy in most companies surveyed. The results suggest that the variables of experience and education of manager, product variety, product market competition and famous brand of a company can have significant impact on election of the strategy. Among the different strategies in order to gain competitive advantage, product differentiation strategy is more capable of competitive advantage, in terms of increasing the competitiveness of firms, there. Variables such as product diversification by a factor of 1/54 percent, Brand by a factor of 0/88 percent and manager education by a factor of 0/78 percent are most likely variables for influencing the differentiation strategy by managers. Therefore, it is suggested that firms in the food industry, with the necessary tools, including the diversification of products and the creation of national and international brands, provide different products according to the market demands.

JEL Classification: L23, M11

Keywords: Cost Reduction, Differentiation, Focused differentiation, Focus on Cost Competitiveness, Multinomial Logit, Food Industry.

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Price Transmission of Chicken: Application of Vector Autoregressive Markov-Switching (MSVAR) Approach

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Abstract

In this study, the factors that influence the price transmission of chicken were analyzed using the Markov-Switching VAR and weekly data for the years 2008-2012. The results showed that the non-linear behavior of price transmission model inputs and the price of one-day chicks, soybeans and corn influence on the prices of chicken meat. In this regard, it is suggested that policy-makers with implement the policy of "market adjustment" and the control of "marketing agents behavior", cause the reduction of price volatility chicken and increase the consumer welfare.

JEL Classification: Q1, C32, C52.

Key words: Poultry, Vector Autoregressive Markov Switching Model, One-day chick, Soybean, Corn.

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The Effect of Different Economic Sector's Value Added on Income Inequality in Iran (Emphasized on Agricultural Sector)

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Abstract

A decrease in income inequality as one of the major objectives of development plans has been constantly taken into consideration in formulation of economic policies and theories. This study aims to examine the effects of values added of different sectors on income inequality in Iran during the period 1971-2010. In this investigation, examine the stationary of time series variables. Then, Johansen-Julius Cointegration Test and Error Correction Model are applied to study and analyze long-term and short-term relationship between the variables. Finally, it is attempted to determine causal relationship between the variables using Granger Causality Test based on ECM model. The results of Johansen-Julius Cointegration test suggest to a negative long-term relationship existing between income inequality and values added of sectors including agriculture, exports and investment; as value added of the mentioned sectors will reduce income inequality. The results achieved by ECM model point out to a negative relationship between values added of different sectors including agriculture, industry and exports with income inequality in short-term. Furthermore, based on Granger causality tests, there is a significant causal relationship between Gini coefficient and such variables. The findings of the study underline the necessity to identify practices for allocating resources, which result in reduction of incomes inequality and lead to a conclusion that as the share of agricultural sector increases, economic distribution will be more balanced. So that the process of economic development of the agricultural sector with the gradual transfer of surplus product, labor and capital to other sectors, Their dominant role in the economy, indicate that the industry and services sectors In case of transfer of income and net saving, production in other parts of the economy is strengthening.

JEL Classification: O13, O14

Keywords: value added, Income Inequality, short-term and long-term relationships, Error Correction Model (ECM)

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Existence of Habits and Empirical Demand Analysis: A Case Study for Urban Households' Dairy Products Demand in Iran

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Abstract:

The analysis of household consumption pattern and consumers reaction to the price and non-price factors are very important for policymakers and agri-food market participants. In this regard, selecting and estimating demand by the best functional form could be a reliable tool for analyzing consumers' behavior. In this study was applied three dynamic demand models includes Assarsson, Rey and generalized Rotterdam. Hereafter, dairy products demand include milk, yogurt, cheese and butter was estimated for urban households in Iran by mentioned functional forms and Rey's model was chosen as the best model. Also Wald test results strongly confirmed habit formation in the four dairy products demand. Also disregarding the habits effects can lead to a bias in the estimated parameters and analysis of household consumption pattern. Therefore the test of existence of habits is recommended, especially in analyzing food products demand.

JEL Classification: D1, D120

Key words: demand, dairy, habits, Ray model

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**Investigation of Asymmetric Behavior Effects of
Macroeconomic Variables on the Value Added of the
Agriculture Sector in Iran: an Application of Smooth
Transition Auto Regressive Model (STAR)**

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Abstract

In this study, we tried to analyze the asymmetric effects of macroeconomic variables on the added value of agriculture sector of Iran. In this context, the smooth transition auto regressive model (STAR) was utilized over 1990-2012. Based on the results, the growth of added value of agricultural sector was chosen as the transition variable; therefore the growth of added value of agricultural exhibited the asymmetric behavior. In order analyzing the asymmetrical behavior based on Trasvyrta nonlinear test, the LSTR models is selected as suitable model which became a turning point for the coefficients in the logistic function, corresponding to 43% of added value of agriculture in a previous period of transition between the growth rate of value added (γ), is the moderate amounts is equal to 4.138. LSTR model results indicated that the effectiveness of monetary policies on the agricultural sector in high growth and low-value of agricultural sector has been different. The effects of macroeconomic variables including positive or negative effects on the high growth of value added of agricultural is more than low growth.

JEL Classification: C22, E60, Q14

Keywords: Agriculturer, Smooth Transition Autoregressive, nonlinearity, Monetary Policies, Asymmetric behavior.

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ABSTRACTS

Contents:

Investigation of Asymmetric Behavior Effects of Macroeconomic Variables on the Value Added of the Agriculture Sector in Iran: an Application of Smooth Transition Auto Regressive Model (STAR)

M. Ghahremanzadeh

E. Pishbahar

R. Ferdosi

Existence of Habits and Empirical Demand Analysis: A Case Study for Urban Households' Dairy Products Demand in Iran

A. Chizari

Z. Shokoohi

H. Salami

S.S. Hosseini

The Effect of Different Economic Sector's Value Added on Income Inequality in Iran (Emphasized on Agricultural Sector)

E. pourmokhtar

R. moghaddasi

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E. Pishbahar

R. Ferdosi

F. Assadollahpour

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H. Mohammadi

M. Mohammadi

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S. A. jalae

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