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This month’s issue deals in big picture issues.

A joint paper from Malaysia and Iran investigates the determinants of Iranian investment in Dubai’s real estate sector (IIDRE) over the period 2000-2008. Using a time-series regression analysis, the empirical results reveal that Iran’s external conflicts, bilateral trade between Iran and Dubai and Iranian wealth could contribute positively to the expansion of IIDRE.

We review the situation of energy in the Middle East and the wealth of new options the region can take advantage of with renewable energy technologies.

A further paper looks at intercultural and global leadership in business, while a further paper looks at the business of sport, namely soccer, on the micro and macro levels.
Determinants of Iranian Investment in Dubai’s Real Estate Sector

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ABSTRACT
In recent years, a large number of (upper-middle and upper class) Iranians have invested in Dubai’s real estate sector. The purpose of this study is to investigate the determinants of Iranian investment in Dubai’s real estate sector (IIDRE) over the period 2000:Q1-2008:Q1. Using a time-series regression analysis, the empirical results reveal that Iran’s external conflicts, bilateral trade between Iran and Dubai and Iranian wealth could contribute positively to the expansion of IIDRE. In addition, we find that returns from Iran’s stock market and relative economic growth are not significant determinants of IIDRE. The results have some implications for policymakers.

Keywords: Real estate investment, Trade, External conflicts, Stock Market, Iran, Dubai

Introduction
The last decade has witnessed a strong growth in Iranian investment in Dubai(1). More than 400,000 Iranians (around 25 percent of Dubai’s population (2)) are estimated to have moved up to $200 billion of capital into Dubai (Iran Daily, 2006; Rahman, 2005). The data provided by Dubai Statistics Center (2007) indicates that Iranian direct investments ranked as the top seven among all foreign direct investments in Dubai in 2005 and 2006. Iranian investment in Dubai is classified into several sectors, ranging from banking and finance to oil and real estate. One of the main and remarkable categories of Iranian investment in Dubai is investment in different types of real estate, such as housing, shopping centers, office buildings and industrial properties (Iran Daily, 2006; Mahoney, 2008). To prove this fact, we provide some evidence and statistics as follows:

Some 10 to 30 percent of real estate transactions are conducted by Iranians and even the tallest skyscrapers in the United Arab Emirate belong to Iranians (Iran Daily, 2006; Davis, 2006). According to Fattah (2005) Iranians are estimated to control as much as 30 percent of Dubai’s real estate development. Iranians rank only behind the British and the Americans in terms of most important buyers of pre-construction products in Dubai (Thomas, 2006). Iranians are among the biggest purchasers of Dubai property besides Indians, British and Pakistani nationals (Mahoney, 2008). Similarly, figures released by Reidin (2010) clearly show that Iranians are among the most active real estate actors in Dubai (see Table 1).

Given the growing amount of Iranian investment in Dubai’s real estate sector in the 2000s(3), identifying the factors affecting the involvement of Iranian real estate investors in Dubai is important for Iranian policymakers seeking to make effective policies to control Iranian capital outflows to Dubai. With no previous studies on IIDRE, our research makes a significant contribution in this regard.

The purpose of this study is to find those factors contributing to IIDRE. We explore our hypotheses using a time series analysis over the period of 2000:Q1 to 2008:Q1. The paper is structured as follows: Section 2 proposes various factors which could determine Iranian investment in Dubai’s real estate sector. The empirical model, the data and results are presented in Section 3. Section 4 concludes and provides some implications for Iranian policy makers.

Factors contributing to Iranian investment in Dubai’s real estate sector
The variables that are considered for the empirical analysis of the present study are set out in this section. Similar to most studies of foreign direct investment we base our arguments on the eclectic theory as a means
of measuring the most significant determinants of IIDRE (e.g. Moshirian & Pham, 2000). The choice of variables is guided by three considerations: the availability of data, the relevance of the variables in question from a theoretical and empirical perspective and the need for a parsimonious specification imposed by the relatively small size of the available sample. The following factors have been selected for IIDRE: (1) relative economic growth, (2) returns from the Iran stock market, (3) bilateral trade between Iran and Dubai, (4) Iran’s external conflicts and (5) Iranian wealth.

(1) Relative economic growth
One of the most important determinants contributing to the expansion of Iranian investment in Dubai real estate can be Dubai’s economic growth over the last decade(4). Dubai’s economic growth has encouraged Iranian investors to invest in Dubai real estate sector (such as apartments and villas) in order to achieve higher returns on unit capital. In other words, Iranian investors have considered Dubai’s economic growth as a good proxy of higher returns to capital when choosing Dubai as a location for investment. This argument is consistent with a number of previous studies such as Schneider and Frey (1985) and Culem (1988) who argued that relative economic growth in the host countries encourages foreign investment in those countries. According to various publications of the Survey of Current Business on the U.S. FDI abroad, U.S. investors invest more abroad during an economic slump in the U.S. and they invest less abroad during an economic boom in the U.S. (cited in Moshirian & Pham, 2000). Based on the above discussion, it is expected that higher economic growth in Dubai attracts further Iranians who want to invest in the Dubai real estate sector.

(2) Returns from the stock market
We examine the return from Iran’s stock market as an important determinant of IIDRE. The reason is that Iranian investors may look at the stock market as one of several indicators of society’s overall confidence in future business conditions. Therefore, falling returns from Iran’s stock market may create more incentives for Iranian investors to invest in the domestic or Dubai real estate sector. In other words, falling stock prices may imply a lack of confidence in the business future which in turn may motivate Iranian investors to invest in Dubai stock market or real estate sector. In fact, there is some evidence that Iranian shareholders moved their investments into the Dubai stock market or real estate sector when the Tehran stock market crashed in 24 September 2005 (Fathi, 2005). Previous studies also are in agreement with our argument. For example, Moshirian and Pham (2000) found that U.S. foreign direct investment in real estate abroad is negatively correlated to returns from the U.S. stock market. Therefore, we hypothesize that IIDRE is negatively correlated to returns from the Iran stock market.

(3) Bilateral trade between Iran and Dubai
Another important determinant that is likely to have an impact on IIDRE is the amount of bilateral trade between Iran and Dubai. This factor is chosen because Dubai is the key trading partner of Iran in terms of exports and re-exports (IRICA, 2008). Habibi (2008) argues that the geographic proximity of the two countries and the presence of a large expatriate Iranian community in Dubai have led to a significant increase in bilateral trade. Given the increasing trend of trade between the two countries, many Iranian businessmen have decided to have their own residential house, warehouse and office to operate their businesses in Dubai. Therefore, it is expected that trade activities between Iran and her main trading partner (Dubai) contribute to the increase of IIDRE. This argument is consistent with previous studies which showed that there is a positive relationship between trade and foreign direct investment (e.g. Jain, 1986). Similarly, Moshirian and Pham (2000) found that U.S. bilateral trade contributes positively to the expansion of U.S. foreign direct investment in real estate abroad.

(4) Iran’s External Conflicts
Several academic scholars and policymakers argue that the tendency of affluent Iranians to transfer part of their capital to Dubai’s real estate sector has been largely related to the tension between Iran and the West (Zibakalam, 2008; Fattah, 2005; Fathi, 2005). Nuclear programs, violation of human rights as well as support for terrorist groups (claimed by the West) have been the major reasons for the tension between Iran and the West. It is believed that Iran is rapidly developing the capacity to produce nuclear weapons, and it possesses rockets capable of striking Israel. Iran’s nuclear programs and its dispute with the International Atomic Energy Agency (IAEA) have soured relations with most Western countries and consequently several rounds of United Nations sanctions have been imposed against Iran (Palmer, 2007; Global Market Information, 2010). In addition to the UN sanctions, the U.S.(5) and European Union have attempted to make the international sanctions more comprehensive and efficient. For example, the U.S. has been able to discourage many foreign firms from engaging in trade and investment activities in Iran (Habibi, 2008). Moreover, Israel and the U.S. have always threatened to launch a preemptive strike against Iran’s nuclear facilities. The current sanctions, extended psychological campaigns against Iran and the fear of more punishment to come, has scared off domestic and foreign investors and pushed up the risk, cost and inconvenience of doing business in Iran (The Economist, 2007; Habibi, 2008; Zibakalam, 2008). Under this situation, capable domestic entrepreneurs and investors have refrained from implementing efficient projects in Iran. In other words, these disputes and tensions have led to higher political risks and discourage many wealthy Iranians from investing in Iran due to a higher risk premium. As a result, they have transferred their capital to other countries of the Middle East region or even to European countries’ real estate and financial sectors. Specifically, many wealthy Iranians have purchased a second residential site in Dubai used for temporary or permanent habitation by family members and possibly used and being preserved for harder times such as a possible attack from the U.S. or Israel..
The previous discussion is consistent with Khodov (2000). He argued that citizens from countries with transitional economies or dictators purchase real estate abroad for the purpose of preserving their capital. In other words, the author opines that investors are guided by hedging inflationary and political risk, laundering money illegally obtained in one’s own country, and creating a refuge in the event of the confiscation of property and judicial prosecution. More specifically, he discussed that national capital outflow to foreign residential real estate is possible when the situation deteriorated as far as galloping inflation and political instability. Therefore, we hypothesize that a positive relationship is expected between Iran’s external conflicts and IIDRE.

(5) Iranian wealth

Previous empirical evidence suggests that national wealth and income are the factors determining the amount of countries’ foreign assets abroad (Russek & Ruffin, 1986; Ueda, 1990; Moshirian & Pham, 2000). Given past empirical research on the effects of wealth and income on real estate investment abroad, it is expected that IIDRE should be positively related to Iranian wealth and income.

Empirical Model, Data and Results

The aim of this paper is to discuss and analyze the determinants of Iranian investment in Dubai’s real estate sector. Given the earlier discussion, the following time-series model is fitted to guide the analysis.

\[
\log \text{IIDRE}_t = \beta_0 + \beta_1 \text{REG}_t + \beta_2 \text{RSM}_t + \beta_3 \log \text{TRAt} + \beta_4 \log \text{IEC}_t + \beta_5 \log \text{GDPcap} + \varepsilon_t (1)
\]

with the following expected signs:

- \( \beta_1 > 0 \), \( \beta_2 < 0 \), \( \beta_3 > 0 \), \( \beta_4 > 0 \), \( \beta_5 > 0 \)

where IIDRE is the Iranian investment in Dubai real estate sector; REG is relative economic growth (Dubai/Iran); RSM is the returns from the Iran stock market; TRA stands for bilateral trade between Iran and Dubai; IEC is Iran’s external conflicts; GDPcap denotes the Iranian wealth and \( \varepsilon_t \) is the error term. It should be noted that all variables have been transformed into natural logs except the REG and RSM. The model is estimated by using a time-series regression analysis.

Data

To empirically estimate the above model, we utilize quarterly data over the period 2000:Q1–2008:Q1. The relatively small size of our sample is due to the limited availability of data regarding the IIDRE series. The data comes from different sources. Data relating to the IIDRE is obtained from Real Estate Investment and Development Information Network (REIDIN.com-DUBAI-Focus)\(^6\). Information on Iran’s political risk as a proxy for Iran’s external conflicts is taken from the Economist Intelligence Unit (EIU). This indicator is assessed on a scale from 0 to 100, with higher values indicating higher political risk (such as war and international disputes). Tehran stock index is used as a proxy to measure returns from the Iran stock market and is taken from Tehran Stock Exchange. GDP per capita (as a proxy for wealth) is obtained from the Central Bank of Iran. The data on the relative economic growth is taken from Dubai Statistic Center and Central Bank of Iran. Finally, information on bilateral trade between Iran and Dubai is obtained from Datastream.

Results

(Tables next page)

The result of estimation is shown in Table 2, where t-statistics are given in parentheses below the coefficient estimates. The dependent variable is Iranian investment in Dubai’s real estate sector (IIDRE). The overall fit of the model is reasonable because the explanatory variables explain 68% of variation in IIDRE. The sign of Iran’s external conflicts (IEC) parameter is the expected one and it is statistically significant. The positive sign of IEC implies that Iran’s political conflicts contribute positively to the expansion of IIDRE. This result is consistent with Zibakalam (2008), Fattah (2005) and Fathi (2005) who argued that the tendency of affluent Iranians to transfer part of their capital to Dubai’s real estate sector was related to the tension between Iran and the West. The wealth variable (GDPcap) is statistically significant with a positive sign. This finding is in agreement with the expectation that wealth is a contributor to the Iranian investors’ decisions to invest in Dubai’s real estate sector. This finding is also consistent with the study by Moshirian and Pham (1986) that showed that U.S. financial wealth contributes to the expansion of U.S. investment in real estate abroad. Moreover, our analysis finds that bilateral trade between Iran and Dubai is positively related to IIDRE, concurring with other similar studies (Habibi, 2008; Jain, 1986; Moshirian & Pham, 2000). This result indicates that trade activities between Iran and her main trading partner contribute to the expansion of IIDRE.

The relative economic growth and returns from stock market variables are not statistically significant at the 5% or even at the 10% level. It means that these two factors are not Iranian investors’ concerns when they make the real estate investment decision in Dubai.

Conclusion

The last decade has witnessed a strong growth in Iranian investment in Dubai. One of the main and remarkable categories of Iranian investment in Dubai is investment in different types of real estate. The purpose of this paper has been to discuss and analyze the determinants of Iranian investment in Dubai’s real estate sector (IIDRE) over the period 2000:Q1–2008:Q1. Using a time series model, the empirical results reveal that Iran’s external conflicts, and bilateral trade between Dubai and Iran and Iranian wealth could contribute positively to the expansion of IIDRE.

The empirical result presented in this paper suggests an important implication for Iranian policymakers. Since higher external conflicts do facilitate the occurrence of IIDRE, Iranian policymakers are required to create favorable foreign policies and try to settle external conflicts to lower risks and uncertainty for Iranian entrepreneurs and investors in order to reduce capital outflow. Creating favorable international relations and keeping capital at home would help finance industrialization that facilitates employment opportunities and increases productive capacity. Ultimately, the results of the study should be considered in light of its limitations, which also point to some issues for future research. Firstly, given the data constraints, results should be
Table 1: Value of Property Transaction by Nationality in Dubai (UAE Dirhams)

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>26,641,501,938</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21,984,187,891</td>
</tr>
<tr>
<td>Pakistan</td>
<td>13,231,861,494</td>
</tr>
<tr>
<td>Iran</td>
<td>11,442,418,609</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>8,756,137,438</td>
</tr>
</tbody>
</table>

Source: Dubai Focus by REIDIN

Table 2: Regression result

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent variable: Log IIDRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>11.31 (3.21)**</td>
</tr>
<tr>
<td>REG</td>
<td>0.012 (0.023)</td>
</tr>
<tr>
<td>RSM</td>
<td>-0.11 (-0.60)</td>
</tr>
<tr>
<td>logTRA</td>
<td>1.44 (2.69)**</td>
</tr>
<tr>
<td>logIEC</td>
<td>2.91 (3.22)**</td>
</tr>
<tr>
<td>logGDPcap</td>
<td>0.56 (1.9)**</td>
</tr>
<tr>
<td>Adj. R²</td>
<td>0.68</td>
</tr>
</tbody>
</table>

Note. Significance at the 1% and 5% level is denoted by *** and ** respectively.
viewed with caution and hence data from a longer period is needed to fully investigate these relationships and to improve our understanding. Secondly, the present study only considered the aggregate real estate investment by Iranians for analysis. For future research, it may be useful to examine the relationship between the explanatory variables and IIDRE by using disaggregated data from various types of real estate such as residential and commercial real estate.

Footnotes
(1) Dubai is an emirate of the United Arab Emirates (UAE). UAE lies in the heart of the Middle East (ME) and is one of the world’s fastest growing economies. By 2008, the UAE’s second largest constituent emirate, Dubai, was drawing over 97 per cent of its GDP from non-oil sectors, including a real estate industry, a world class luxury tourism industry, an international financial centre, and a range of re-exporting and other commercial activities based out of international ‘free zones’ (cited in Davidson, 2009).

(2) Dubai has historically enjoyed fairly warm relations with Iran, given that many of its immigrant merchants are of Persian origin. Iran has also long been the emirate’s principal regional trading partner and Dubai chose to remain neutral in the Iran-Iraq War (cited in Davidson, 2009).

(3) It should be noted that one-third of Iranian investors in Dubai have returned to Iran due to the economic crisis and the housing recession in the United Arab Emirates (Iran Daily, 2009).

(4) Dubai’s economic growth over the last decade has been remarkable with double digit growth in many years. Dubai’s real GDP growth rate has been much higher than that of Hong Kong and Singapore, the other two major global city economies for most of the last decade (Dubai Chamber, 2010).

(5) For more elaborate reviews, see Torbat (2005)

(6) REIDIN.com-DUBAIFocus delivers all property deals and transactions in Dubai. For more information on REIDIN please go to: www.REIDIN.com.

References


Background

It is difficult today to utilize the word “globalization” without a definite implication of sarcasm. The world appears more disjointed, more at odds, than at any time since, certainly, World War II. On the other hand despite the political divisions, business operations go on to bridge the globe, and executives nevertheless have to figure out how to manage them competently.

Today’s leader confronts a multitude of challenges. The business environment is multifaceted and swiftly shifting. Global influences influence organizations while, at the same time, the consequences of organizational decisions heave outward in their own ever-widening circles of influence.

The job of a leader, in the past, was rather well defined. Organizations were hierarchical structures that employed a top down, command and control form of leadership to achieve their mission. This meant a stern focus on enhancing an organization’s financial “bottom line”. Less concentration was paid to the “how” of leadership or to the capacity to make a positive difference in the world through one’s work.

Despite the fact that these conventional styles of leadership are still pertinent today, they are progressively more insufficient to meet the ever-growing complexity of the challenge. More and more, leadership is a mutual undertaking; one that calls for interweaving skills and traits that are both personal and professional. This embraces the ability to foresee positive change, convey mission and direction, call forth motivation and cooperation, respect diversity and different perspectives, and promote both individuality and unity.

Intercultural Leadership and Communication in Global Business

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Business leadership

Business leadership in a global company has very definite challenges. In new markets, predominantly new international markets, there is a superseding imperative to develop strategic alliances and partnerships. Whether due to the need to gain distribution in a foreign environment, to gain lower cost production through scale, or to find the way through the regulatory environment of foreign countries; the skill to build associations and business partnerships is an answer to successful business leadership in new markets.

A second requirement correlates with company structure and organisational dynamics. It is not adequate, and indeed it possibly will be counterproductive, to simply mirror the head office structure in promising markets. The most thriving businesses in new markets are accommodating and sympathetic. The lack of critical mass and the geographic diffusion of operations necessitate a high degree of vagueness in terms of roles and reporting lines. In this condition, it is critical that there are helpful relations between the new, evolving business and head office. Inexorably, this requires regular communication and a lot of travel.

Dealing with diversity

“Diversity represents a company’s fundamental attitude that it not only respects and values the individuality of its employees but also understands how to tap the potentially significant contributions inherent in diversity.”(1)

The concept of workplace diversity from compliance to inclusion, is evolving. As envisaged in the landmark study Workforce 2020, rapid technological change, globalization, the demand for skills and education, an aging workforce and greater ethnic diversification in the labor market have perpetually distorted the employment landscape. The definition of diversity stretches well away from the customary view that once focused mainly on gender and race and mirrors the broader perspective of workplace diversity today.

Giving feedback

Feedback is a significant communication tool that may enhance the way we work with one another. Developing the skills to give and receive feedback can help us become more successful in our daily lives. It is a critical part of our communication process. Without feedback we don’t know when we’ve done something well or could perhaps improve upon something. Many people find it much easier to give feedback when it is positive than when it is negative. Both positive and negative feedback is helpful since it helps us become aware of ourselves, to determine the consequences of our actions and to change or modify our behavior. Giving and receiving feedback are competencies that can be learned and once performed can be tremendously helpful (2).

Feedback is a form of communication that we give or get. Sometimes, feedback is called “criticism,” but this badly restricts its value. Feedback is a method to let people understand how successful they are in what they are trying to achieve, or how they influence you. It offers a way for people to learn how they affect the world around them, and it helps us to become more effective(3).

The other end of feedback is giving it. Some people convey feedback with pleasure, after all, it’s easier to give
advice than take it. Some use feedback as a weapon, or offer it as tit-for-tat. For others, feedback is a great way to be judgmental (3). How you give feedback is as vital as how you accept it, because it can be experienced in a very negative way. To be effective you must be tuned in, responsive, and honest when giving feedback. Just as there are positive and negative approaches to accepting feedback, so too are there unsuccessful and successful ways to give it (4).

**Handling conflicts**

Conflict is a mental and/or physical disagreement in which people’s values or needs are in opposition to each other or they think that they are opposed. Some peace-makers and teams concentrate on spotting areas in which conflict looks likely to break out, and then monitoring them closely. At the same time they help the conflicting sides to work out their disputes without use of violence. Conflict is inevitable, natural, and even healthy! What is unhealthy is unresolved conflict allowed to fester and become a sore in the side of an otherwise productive team. Conflict can be both within and outside the team, but in both cases it is resolved productively.

**Reacting to ‘mobbing’**

In the present circumstances of the sustained global economic crisis, “mobbing” - or workplace bullying and harassment - is becoming a common phenomenon. Often this “mobbing” happens vertically, from high-level employees to those who work under them. Ridiculing, ignoring, threats, and reducing earnings are all forms of mobbing. Evidence shows that “mobbers” (those who mistreat their colleagues) are usually not conscious of what they do. In EU countries, mobbing is ranked as the fourth most frequent risk in the workplace, and in the US and UK, one in every eight workers is subjected to mobbing.

The expression ‘mobbing’, which includes workplace terrorizing, pressure, frightening, belittling and psycho-terror, is described as the presence of systematic, directed, unethical communication and antagonistic behaviour by one or more individuals. These measures that happen regularly and carry on for a long time are the most significant and effective causes of workplace stress. The person who is the target of the mobbing is left without help, without protection and alone in the workplace. Individuals who are exposed to psychological abuse experience physiological, psychological and social problems that are related to high levels of stress and anxiety.

Mobbing behaviours in the workplace have to be defined, and suitable policies, and procedures need to be developed and shared with all employees to thwart the growth of these behaviours. In addition, managers must assume an open managerial approach to prevent the development of these behaviours. In order to fight this inclination companies need to stop overlooking its presence, and encourage a culture where this sort of behavior is not accepted.

**Historical Roots of Globalization**

Globalization has a homogenizing effect on various national cultures. Its powers lead societies to turn out to be more alike, converging in business approaches, political and economic systems, and even artistic attitudes. The consequences of convergence can be challenging for people and countries to support through, and over time can escalate into an anti-globalization backlash. Globalization today confronts a legitimacy crisis that has been unfolding for the past decade, a result chiefly of financial system convergence.

The support of globalization over recent decades has led to the anticipation that cultural differences in business practice-how firms work, how rules are decoded and enforced-would wash away over time. Cultures and nations’ unique brands of capitalism would become homogenized as the world became one large global market. That is a prospect with some truth to it, but societies rarely desire to pay the price of convergence for the market benefits of globalization. Globalization will certainly last but there will be bumps along the road. In today’s vibrant world, thriving organizations have to persistently transform themselves. There will be challengers to globalization, some of them protesting to the homogeneity it generates and in some occasions regionalization or localization may truly be a preferable option.

One’s point of view on globalization is centered on the map that is used. There is not one map of the world, but several maps, each of which reveals a distinct story. There are geographic maps, that show land mass; maps that show the populations of each country; and maps that show relative GDPs (which show that wealth is not synonymous with population). But possibly the maps that best demonstrate globalization are those that veal transport lanes-through which physical goods flow around the world-and maps of submarine cables, through which information flows. It is the network of transport lanes and cables that genuinely connects the world.

**Cross-Cultural Communication**

However, changes and advancements in economic relationships, political systems, and technological options began to break down old cultural barriers. Business changed from individual-country capitalism to global capitalism. Thus, the study of cross-cultural communication was formerly found within businesses and the government both seeking to expand globally (6). Cross-cultural communication, as in many scholarly fields, is an amalgamation of many other fields. These fields embrace anthropology, cultural studies, psychology and communication.

Communication underlies the effectiveness of coordinating exchange activities, budding strong relationships, which results in enhanced performance. It presumes that there is a particular cultural framework that permits “translation” of the meaning embedded within communication by the recipient to maintain the true purpose of the communication (7). The adequate, or lack thereof, of organizational culture also has a direct effect on international business communication efficacy (8). Organizational culture is an amalgamation of the national culture and the backgrounds of individuals assembled in the organizational setting (9). Differences in organizational culture may lead to miscommunications and the deterioration of joint efforts (10). To help managers in developing successful strategies to conquer international communication challenges, a practical model of communication effectiveness was developed. Theory and practice point out that similarity or fit, of relevant appropriate, structural, and or strategic factors capitalize on efficiencies of operation.
As communication is established in particular cultural frameworks permitting for the “translation” of the meaning by the recipient to maintain the true intent of the message, the fit, or lack thereof, of such frameworks creates a possible impediment to developing effective international relationships. For example, when business partners originate from different cultures (both national and organizational), the original cultural inconsistencies in communication strategies may cause barriers to the development of effective global business relationships. However, national and organizational hurdles to communication may be lessened through the employment of managers with particular communication competencies who can work toward the development of exclusive communication environments within each relationship building relational excellence and enhancing performance.

Communication proficiency is a series of skills and knowledge linked to communication that permits an individual to connect in appropriate / meaningful communication with international partners (7, 11). Communication competence may fluctuate by cultural distance, frequency, and usefulness of past interactions, the level of global experience of a manager, as well as the learning milieu of the organization (7).

Cognitive competence refers to an individual’s capability to establish connotation from verbal and nonverbal language (12). Competencies transmit the psychological concepts rooted in an individual’s values that affect their ability to accurately decode a partner’s message (7, 13). An individual’s cognitive competencies allow him/her to amend successfully to communication differences in extremely diverse environments. Affective competence connects to an individual’s emotional inclinations in relation to communications (7, 12). An individual’s observance to embedded meanings influence his/her attitudinal response to culturally diverse communications.

Behavioral competence refers to an individual’s elasticity and inventiveness in reaction encounters (7). The field of behavioral competencies encompasses behavioral flexibility, communication authenticity, message, and behavioral complexity, interaction management, etc. (7, 12). A manager’s behavioral competencies allow him/her to connect in significant interactions with those of many cultures.

As no two national or organizational cultures are alike intrinsic variations dictates a negotiation of communication and cultural protocols for the development of a common communication environment (7). Casimir (14) point out that communication protocols, appropriateness of strategies, monitoring, and communication feedback mechanisms are all rigorously attuned for engaging communication to happen, therefore suggesting not only communication interaction, but also cultural interaction. Cultural interaction, i.e., amendments over time to a firm’s cultural protocols, results from the communication encounter that puts onward new cultural norms that can be markedly discriminated from each firm’s initial organizational and national culture, such as orientation toward time, uncertainly and relational norms (e.g., solidarity, information exchange, flexibility) (14).

The contest is that even with all the virtuous will in the world, miscommunication is expected to happen, particularly when there are major cultural divergences between communicators. Miscommunication can lead to conflict, or aggravate conflict that previously exists. We make -- whether it is clear to us or not -- quite different meaning of the world, our places in it, and our relationships with others. A culturally-fluent approach to conflict means working over time to understand these and other ways communication varies across cultures, and applying these understandings in order to enhance relationships across differences (15).

Intercultural communication is of significance to international businesses as it scrutinizes how people from different cultures, beliefs and religions come jointly to work and communicate with each other. Demands for intercultural communication skills are escalating as more and more businesses go global or international. They recognize that there are obstacles and restrictions when entering a foreign territory. Without the help of intercultural communication they can accidentally produce perplexity and misunderstandings. For these intercultural businesses to break the cultural barriers encountered when moving into foreign grounds it is critical for them to completely grasp the cultural differences that exist so as to avoid destroying business affairs due to inter-cultural communication divergences.

Leveraging the Power of Diversity for Competitive Advantage

The cooperation of cultures, ideas and different perceptions is now judged an organizational asset-bringing onward greater creativity and innovation—with the consequence that many companies are more and more focusing on corporate diversity schemes to enhance organizational performance (16).

More and more, the case for workplace diversity as a business essential is gaining appreciation by leaders in the business world. 400 executives agreed that “diversity programs help to guarantee the creation, management, valuing and leveraging of a diverse workforce that will lead to organizational effectiveness and continuous competitiveness (17).

The stream of information between colleagues, work teams, customers and suppliers, for example, depends on the quality of relationships and talent in the workplace (18). Accordingly workplace diversity is ever more seen as a crucial success factor to be competitive in today’s marketplace.

Firms are gradually more sensitive to the impact of diversity programs on organizational effectiveness. HR professionals from companies on Fortune’s list of Top 100 Companies to Work For state that diversity initiatives grant organizations with a competitive advantage by positive improvements in corporate culture, employee morale, retention and recruitment (19).

The significance of positive community relations also demonstrates the link between workplace diversity and the business case. When organizations widen external partnerships with minority communities and suppliers, for example, this may lead to good will and a reputation as an “employer of choice” (20). When employees are satisfied with their organization for its aids and links to the community, they are more faithful to their employer and more likely to brag about their company to family and friends. The effect is lower turnover and a positive employer brand that better draws the best talent in the marketplace (21).


Visibility, communication and accountability are the secret to realizing a competitive diverse workforce. A recent study on what makes and breaks diversity initiatives found three important points of leadership: 1) accountability; 2) a passion for diversity; and 3) sustained involvement. Obvious commitment throughout the organization is vital: adding diversity on the agenda at executive meetings and company conferences, appointing diversity candidates to top positions, and assigning apparent tasks and responsibilities to the senior management team concerning diversity management. Responsibility generates continued participation that is, holding managers responsible to bring diversity results. Participation in diversity councils is suggested as a development path for senior leadership (21, 22).

At the level of board of directors, the business case for diversity should be there. The momentum to change the board composition is a direct result of the trend toward corporate governance and diversity of the workforce, customer base and other stakeholders. Organizations want a wider choice of leadership skills, work styles, point of view and expertise, as well as improved representation of women and minorities among board directors (23).

The term “diversity” has classically referred to women and minorities. Today, however, employers are starting to formally recognize other employees as well (e.g., ethnic groups, people with disabilities and self-identified gay, lesbian and bisexual persons) (24).

Diverse groups have distinctive needs, and they want their needs acknowledged and met. Recognition of different needs produces superior employee satisfaction, employer loyalty and, in turn, lower turnover and greater productivity (25). Within workplace diversity, one of the least talked about minority groups is people with disabilities. This group is a source of under-represented talent in the workplace. One study reveals that in the majority of companies, individuals with disabilities comprise less than 10% of their total workforce. The study recommends top management lead by example and hire qualified individuals with disabilities on their staff. Through training and focus groups, HR leaders can enhance sensitivity toward employees with disabilities (26).

**Leadership In the Global Environment**

The main qualities that leaders need consist of vision, integrity, decisiveness, accountability, great communication skills, and a talent to motivate others. For companies, becoming more global means segmenting the world differently, not just by size of population or income. At GE, where 60% of its 2008 revenues will come from outside the United States, the company segments countries as resource rich, people-driven rich, and Leadership for the 21st Century October 13, 2008 technology and education rich.

Leadership involves painting a vision of where you want to go, instituting priorities for getting there, building the right team, aligning the organization, and holding people accountable for results. It also needs an ability to communicate effectively so that everyone is on the same page. In addition, effective leaders induce cultures where mistakes are acceptable.

The basics of leadership haven’t altered much over the last 100 years. Leadership is about acting with integrity, convincing others to follow (because they want to, not because they have to), giving rise to a culture of openness, having discipline, communicating clearly, and forging relationships built on mutual confidence.

Leaders concentrate on the basics, prioritize, create a sense of urgency, make decisions, and act. While the central part of leadership don’t change, the tools of leadership and the techniques for training leaders can change.

The main aspects of leadership have remained largely unchanged over the past 100 years. Harvard Business School’s first dean described leadership as courage, judgment, character, and an ability to get things done. Not much has changed in the past 100 years; the same qualities still ring true.

Being the boss does not equate with being a leader. “Boss” is about authority, title, or position, but “leader” is about behavior. True leaders use soft power, not hard power. Hard power is what comes via authority and includes power in the form of rewards (such as compensation and bonus) and penalties. Soft power is where a leader is followed because a person wants to follow. Soft power is far more effective.

Leaders should build interactions that involve strongly mutual confidence. When supervisors delineate “expectations,” they are telling people what they want them to do. More effective is when a leader is able to forge a relationship with mutual confidence; the leader is convinced in the follower and the follower is confident in the leader. Such confidence-based relationships are far more successful.

“The first challenge of leadership is to win the confidence of followers.” Leaders build trust. Leadership involves taking very conscious actions intended to increase trust with all stakeholders. Trust isn’t built in one day, and is surely not created in the middle of a crisis; it is built over a long period of time.

The leaders of today’s organizations and businesses require to be skilled at managing people of different cultures. They need to be talented to grasp the spirit of each culture quickly, because culture is so important in determining customer or employee behaviour. Leaders have to learn to shape culture (at least that in their own organisations) so that it is positive, and aligned with the direction the organization is taking.

In the past, global leaders were merely those individuals sent abroad on foreign assignments. However, today it can be any manager or executive, anywhere in an organisation - people in accounts, sales, marketing as well as production and support staff. It can signify different things for different organisations. It could be a delegate office abroad or the acquisition of a foreign company or a joint venture etc. The possibilities are almost endless.

Whether for job effectiveness, career development, or for personal growth, it is no longer enough for professionals to be culturally “aware” that differences exist. They must develop their own set of behavioral competencies allowing them to take suitable actions in a different cultural context. Cultural behavioral-based competency skills coaching does not need the individual deserting their traditional values and norms, rather it permits the person to better relate to others and promote successful intercultural outcomes.
Without a developed set of culturally relevant behavioral skills to successfully work and understand their international counterparts, leaders often “hit the wall,” failing to bridge the cultural divide that affects decision-making, communication, risk taking etc.

The dynamics of being a successful Global Leader needs a skill set of important competencies that differ markedly from the domestic leader. These “global behavioral competencies” allow leaders to handle a wide range of challenges, including: distance management issues, how to lead a diverse multinational team, implementation of new initiatives, and faultless integration of different teams and organizations etc.

Each diverse work team is comprised of individuals from a particular culture. However, once the team is created the team builds up its own culture. The team’s culture is within the culture of the office, which is within the culture of the department, which is within the culture of the organization, which is within the culture of the host country and also the country where the head office is situated. The Team Leader needs to be skilled in how to use the behavioral-based coaching model to ascertain a common set of values and how to elucidate the assumptions and beliefs shared by team members that affects their business goals.

Conclusion

In conclusion, business leadership in the framework of an internationalising company generates extraordinary strains in terms of communicating the corporation’s shared values and strategy. The successful business leader has nearly evangelical task. He or she have to instill the local management team with the corporation’s vision and culture or else the company will never be institutionalised in the local market and, long term, will most likely fail.

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Overview

With maximal output/declining supplies of fossil fuels globally, and with their contribution to global climate change, along with the current concerns over Nuclear Energy, exacerbated by the ongoing radiation leakage at Fukushima, Japan, following the earthquake and tsunami of March 2011, and indeed with the current upheaval in the socio-political climate of the Middle East, it is an excellent time for the region to re-appraise energy production and needs with a view to the viable future of energy supplies, the needs of the people and the economy of the Middle East, and indeed the future of a viable ongoing humanity.

The end of this great period of global pollution and destruction of ecosystems through the unmitigated use of fossil fuels, and in almost all cases for ‘private wealth’ of the few, claiming to own these planetary oilfields, cannot come too soon. Though that does not mean an end to economic advantage. Paying the ‘real price’ for energy that does not pollute is and always will be cheaper and is the first step toward sustainable energy and sustainable growth.

Currently the cost of rampant and clumsy exploitation (e.g. the BP fiasco in the Gulf of Mexico) is being borne by the ordinary people of the planet, the other species, and mostly by future generations. Not only should fossil fuels be used sparingly to carefully control carbon emissions, they should also be kept in store for future populations.

Our technical expertise and invention can be used just as well to harness renewable sources of energy such as solar, wind, geothermal, hydro, biomass and bio-fuels as appropriate to each geographical location.

Review: Fossil fuels, Renewable Energy and the Middle East

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If we look two or three or four decades into the future, we see that hydrocarbons alone will not meet the needs of a growing world economy. Even with all the technical expertise and all the political will, eventually, we will run out of oil.

(See Figures and tables next page)

And, even before then, the price of a dwindling supply will be prohibitive. At present, our world is overly focused on, and overly dependent upon, one source of energy and that path is unsustainable.

If energy production and use continues at the current pace, the economy is headed down a very counter-productive path. As fossil fuels become more scarce, prices will increase causing more conflict and insecurity. And with the affects of climate change - desertification, loss of arable land, and rare but extreme flooding - the region will become increasingly reliant on food imports.

As a response to these trends, there is a growing global interest in alternative forms of energy production. If fossil fuels are replaced by more future-adapted technologies, it is possible to mitigate their detrimental trends, reduce carbon emissions, conserve and avoid the cost hikes of non-renewable natural resources, reduce dependence on imported energy resources such as uranium, natural gas, and oil, and increase energy resource exports, to benefit the region economically and socio-politically for years to come.

At the same time, mitigating the increase in carbon emissions will have a significant impact on moderating global warming.

Types of renewable energy

Solar Power utilizes the energy from sunlight either indirectly or directly. It can be used for heating and cooling, generating electricity, lighting, water desalination, and many other commercial and industrial uses.

- Wind Power captures the energy of the wind through wind turbines.

- Biomass Energy uses the energy from plants and plant-derived materials, such as wood, food crops, grassy and woody plants, residues from agriculture or forestry, and the organic component of municipal and industrial wastes.

- Geothermal Energy utilizes the heat from the earth, drawn from hot water or steam reservoirs in the earth’s mantle located near the earth’s surface.

- Ocean Energy traps thermal energy from the sun’s heat and mechanical energy from the tides, underwater currents and waves.

- Hydropower captures the energy from flowing water to power machinery and produce electricity.

Renewable Energy has the capability of meeting all world energy demands if utilized properly.

The world market is becoming more favourable to renewables. According to statistics defined at Middle East Electricity, over the past 10 years, electricity generated by renewable energy has been developing at the highest rate in the world’s energy and electricity market. The increased rate of solar power generation is as high as 30.9 percent, followed by 30.7 percent for wind power generation.

30.9 percent, followed by 30.7 percent for wind power generation.
MENA Primary Energy Demand by Fuel
Above: Cumulative MENA Energy Investment 2004-2030

Economic Renewable Electricity Potentials in EUMENIA

Image from http://cleanpeace.org
The earth receives an incredible supply of solar energy - the sun provides enough energy in one minute to supply the world's energy needs for a full year. In one day it provides more energy than our current population would consume in 27 years.

**World view**

Hydrocarbon releasing fossil fuels (oil, gas) will not meet the current demands of the world's population as it now stands and with rising living standards and consequent increased energy use in India and China - the two most populous countries; there will a huge demand on all energy sources and on the ability of the planet to absorb the carbon released. We are currently at maximal production level or decreasing levels according to which expert you believe - only maximum production levels will be maintained with the development of or finding of major new resources (equalling the deposits in Saudi Arabia). Even developing or finding new forms of fossil fuels, such as tar sands, shale oil and gas, requires high energy consumption for such extraction and the need to extract increasing supplies that are no longer abundant becomes even more polluting than oil extraction, with processes affecting ground water, and arable land.

Climate change, desertification, acidic seas, loss of arable land, basic living needs will become threatened if we continue to use these fuels in such abundance as in the past. One-third of greenhouse gases are caused by the use of fossil fuels.

Nuclear power, while advocated by those with vested financial interest in its use, and with those looking at short term economical gain has yet again been shown to be unsuitable IF the lives of people are to be important on this planet. The people of each country all need to have a say as to what development goes on in their country and at what cost to themselves and their environment - it is not just the design of nuclear reactors that needs to be monitored, but more importantly the ongoing maintenance by qualified and aware personnel and the Chernobyl and Fukushima disasters show this is very doubtful, given the history of humanity, and that such energy should never be put in the hands of those with commercial interests in it.

**The Middle East Oil situation**

According to the Reference Scenario referred to in World Energy Outlook 2005, this increase in energy supply calls for a cumulative infrastructure investment of about $1.5 trillion over the period of 2004-2030, or $56 billion per year in the Middle East and North African Region.

In countries where oil is plentiful, such as Iran, the government is also heavily subsidizing electric energy production. In Iran, 1.2 million barrels of oil are consumed domestically at much lower prices than the rest of the world, while 2.3 million barrels of oil are exported.

Costs are also great for countries with few of their own indigenous energy resources, such as Jordan. Energy imports account for as much as 10% of GDP, and will continue to rise 50% in the next 20 years, according to the Ministry of Energy and Mineral Resources.
Furthermore, MENA energy-related carbon-dioxide emissions will double by 2030, primarily from power generation and water desalination, if the business-as-usual case continues.

The Middle East and renewable options

While countries such as Egypt, Libya, Tunisia, Algeria and Morocco stand to gain immensely from the advent of European investment in solar and wind power technology, other Arab states, notably in the Gulf Cooperation Council (GCC), are looking to nuclear-generated electricity to resolve local power shortages and increase their desalinated water capacity.

Recent figures showing the massive energy potential of the Saharan sun have persuaded EU officials, as well as some of Europe’s biggest corporations - including Munich Re, Deutsche Bank, Siemens, E.ON and RWE of Germany, ABB of Switzerland, Abengoa of Spain - and Algeria’s Cevital to launch a $570 billion solar development programme. Deseretec aims to generate up to 550GW of electricity over the next 40 years, from installations that will initially be located in Algeria, Morocco, Tunisia, Libya and Egypt and later in the deserts of the Middle East from Turkey to Saudi Arabia and Jordan.

An initial $5.5 billion in funding was announced in December 2009 by the World Bank’s Clean Technology Fund. The power will be used for local needs, as well as for export to Europe, through 20 high-voltage, direct current cables laid under the Mediterranean Sea, costing up to $1 billion each.

The Middle East and North African (MENA) states could earn up to $90 billion a year from such exports, according to a report by the US management consultants AT Kearney, and help to provide up to 100,000 new jobs in the region.

Another massive scheme, the Mediterranean Solar Plan, has been set up by French President Nicolas Sarkozy’s Union for the Mediterranean. It will cost some 60 billion and aims to produce 20GW of power by 2020. Like Deseretec, it will use concentrated solar power from giant reflecting surfaces connected to super turbines, as well as the more conventional photo-voltaic (PV) technologies that rely on solar panels.

Several Arab countries have also signed agreements with European partners to develop solar energy and other renewables. Qatar is investing $220 million in a low-carbon technology fund in Britain. Jordan’s King Abdullah is making 2 million square metres of land available to build the world’s largest PV plant, costing $400 million, with the help of Solar Ventures of Italy.

The newly opened King Abdullah University for Science and Technology in Saudi Arabia is funding programmes to develop renewable energies and related technologies in partnership with universities in the UK, Italy, the Netherlands and the US. In September 2009, the minister for petroleum and mineral resources, Ali al-Naimi, announced that the Kingdom plans to make solar energy a major contributor to its energy supply within the next five to ten years. In addition, he said: “Saudi Arabia aspires to export as much solar energy in the future as it exports oil now.”

In the UAE, the $22 billion Masdar City aims to create an entire carbon-neutral urban conglomeration and to showcase the best available technologies for the reduction of greenhouse gas emissions, including solar and wind power. Masdar City is to be the headquarters of the new International Renewable Energy Agency and home to Masdar Institute of Science and Technology, an affiliate of the Massachusetts Institute of Technology. Mubadala, the parent company of Masdar (Abu Dhabi Future Energy Co) is investing in solar-panel manufacturing plants in Germany as well as in the UAE to power the new city. The UAE’s Masdar Institute and the UK’s Department of Energy and Climate Change are co-funding research into renewable energy policy, to support the work of the International Renewable Energy Association, and are also launching a partnership of government bodies and private sector companies to help small businesses to deploy more low carbon energy sources.

The UAE, which has one of the world’s largest carbon footprints, is also well advanced in developing a large-scale programme to generate nuclear energy as part of its plan to obtain 7 per cent of its electricity needs from renewable energy by 2020. Current plans call for the construction of 14 nuclear power plants, with at least three completed by 2020, when, the government estimates, an additional 40GW of electricity will be needed.

The UAE, in line with the rest of the Gulf Cooperation Council (GCC), has signed the nuclear non-proliferation treaty and has agreed to obtain its nuclear fuel from “reliable and responsible international suppliers.”

According to ‘REN 21: Renewables Global Status Report 2007,’ though the share of fossil fuels in the global final energy consumption in 2006 stood at 79 percent, the fact that the share of RES has climbed to 18 percent is a clear indication of trends.

A report by the Dubai-based Gulf Research Centre (GRC), ‘Alternative Energy Trends and Implications for Gulf Cooperation Council Countries,’ offers this analysis: “High costs of fossil fuels alongside technological breakthroughs and decreasing costs with growing economies of scale will play out well for RES, which have developed into an industry to reckon with and are also underpinned by growing government support and concerns about global warming.”

Contracts have been let for a 100 MW solar power facility that will be built near the capital of the United Arab Emirates (UAE).

Abu Dhabi’s renewable energy company, Masdar, will work with Abengoa of Spain and Total of France to build Shams 1, at a cost of US$500 to US$700 million. Total and Abengoa will own 20% each of the project, with Masdar controlling 60%.

The facility will install 768 parabolic mirrors to be the largest concentrated solar power plant in the world, extending over 2.5 km2 and generating green power for 62,000 homes. Construction will begin later this year and be completed within two years.

No automobiles will be allowed within Masdar City’s walls. A solar-powered water desalination plant will provide water for the city’s population, which could reach 50,000.

The Shams 1 plant (Shams means ‘sun’ in Arabic) represents one of the first steps towards the introduction of sustainable energy sources in an energy market which until now has depended mostly on hydrocarbons, explains Masdar.
Abu Dhabi has a target of 7% of electricity to be generated from renewable energy facilities by 2020.

Pakistan’s President Asif Ali Zardari speaks during the World Future Energy Summit at the Abu Dhabi National Exhibition Centre Jan 17, 2011

U.N. Secretary General Ban Ki-Moon is pushing for an overhaul of current energy consumption trends and for more investment in green technology.

Speaking at the fourth annual World Future Energy Summit in Abu Dhabi, Ban said renewable energy could help solve a number of the planet’s most pressing problems.

“We need a global clean energy revolution, a revolution that makes energy available and affordable for all. This is essential for minimizing climate risks, for reducing poverty and improving global health, for empowering women and meeting the Millennium Development Goals, for global economic growth, peace and security, and the health of the planet.”

Ban warns global energy consumption is set to rise by 40 percent in the next two decades, with the highest growth expected in developing nations.

He also pointed out that more efficient power would greatly help people living in poorer countries.

“Investing in the green economy is not simply a luxury of the developed countries. It represents opportunity for job creation and economic growth in developing countries and prosperity for all.”

Pakistan’s president agrees. Speaking at the Abu Dhabi summit, Asif Ali Zardari described his country as “an example of the world’s energy crisis”

Pakistan has been hit by a number of recent natural disasters and Zardari believes that they are at least somewhat connected to global warming caused by the burning of fossil fuels.

“Even the most cynical can no longer deny the unavoidable consequences of climate abuse. The question before us today, the great issue for our generation is whether we have the courage and determination and the vision to do whatever is necessary, to reverse the deadly process that is choking our children’s future.”

Ethical considerations

The biggest ethical consideration is ‘human ownership’ by the very few, of these vital resources, and while governmental ownership is preferable to private ownership, history has show that very little of this wealth gets to the people themselves; rather they lose natural assets.

Multinationals, or dictators exploiting and degrading the planet for fuel supplies for personal gain surely is becoming a thing of the past and an ethical and sustainable approach is long overdue. This need not be detrimental to the Middle East as it has many renewable energy options, and indeed is in a favourable position.

Renewable potential in the Middle East

Experts say that the overall technical potential for renewable energy is huge and several times the current total energy demand. According to the International Energy Agency, global electricity consumption in 2050 could be between 113 and 167 Exajoules (EJ). The technical electricity production potential of renewables, excluding biomass, is almost 2,500 EJ per year.

“Sustainable energy investment was 70.9 billion US dollars in 2006, an increase of 43 percent over 2005. The sectors with the highest levels of investment are wind, solar and biofuels, which reflects technology maturity, policy incentives and investor appetite,” Eckart Woertz, programme manager at the GRC, told IPS.

Investments in developing countries still play a minor role in comparison, but increasing quickly and are already considerable in China, India and Brazil. Currently India 4,300 of Mw a year, followed by China with 765 Mw.

Analysts feel this new emphasis on RES also arises from the growing realisation that oil is a finite resource. Hence, they are now seeking to conserve and prolong the longevity and value of their hydrocarbon resources, especially since the global demand for fossil fuels is bound to increase and prices are likely to remain on the higher side.

Further, given their enormous liquidity they are also confident that they can be just as successful in developing RES as they were in developing their oil industry.

Most importantly, shortages in domestic energy supply are looming up for the rapidly growing GCC countries, and many of them are already facing gas scarcities.

Saudi oil minister Ibrahim Al Naimi recently stated that his country is planning to make solar energy an important pillar of the national energy mix. Hailing solar energy as “abundant, clean and available to all,” he said Saudi Arabia will be giving “that sort of energy special attention”.

Within the mix, Saudi Arabia plans to include waste-to-energy plants that can convert commercially hazardous, organic and toxic wastes into saleable electricity.

In Oman, a roadmap for the development of RES has been outlined. The establishment of large-scale solar thermal plants and a 750 Mw wind farm in the south of the country rank prominently among proposed projects.

A study is being carried out for the Dubai Electricity and Water Authority for a one billion US dollar wind farm that aims to supply up to 10 percent of Dubai city’s power requirement.

The Tunisian government outlined plans to develop solar power capacity to diversify reliance on traditional source of electricity. 40 projects planned for 2010-2016, 29 schemes financed by private sector.

Morocco is undertaking a $9 billion solar energy project, with 5 solar power generation sites throughout Morocco producing 2,000 MW of electricity by 2020

Jordan has the JOAN1 project which is expected to enter operation in 2013 and will be the largest CSP project in the world using direct solar steam generation.

Businessweek’s, Stanley Reed described the rise of the “nuclear option” in the United Arab Emirates, Saudi Arabia, and Jordan. At the forefront is the U.A.E., which placed a $20 billion order for four nuclear reactors from Seoul-based Korean Electric Power Corp. The Saudis have followed with a plan to construct an entire city focused around nuclear energy, while Jordan’s extensive nuclear
ambitions, fueled by the discovery of large uranium reserves, see the country satisfying a third of its electricity demands with atomic power by 2030.

The short explanation is skyrocketing domestic demand for energy in general and electricity in particular, both fueled by rising populations and GDPs. In its International Energy Outlook 2010, the U.S. Energy Information Administration forecast energy consumption in the Middle East to climb by 45 percent from 2007 levels to 2020 with an annualized growth rate of 2.2 percent, demand growth that is second only to Asia. Electricity demand in the United Arab Emirates alone is expected to grow by 10 percent over the next three years, according to a report from the research firm RNCOS.

We’ve learned the hard way in incredibly coincidental events that we are in firm control of almost none of our major sources of power: Deep-water oil drilling can be perilous if the company carrying it out cuts corners. Because of chronically bad governance by petrostates, we can’t necessarily rely on OPEC supplies either. Shale gas drilling may result in radioactive contamination of water, though who knows since many of the companies involved seem prepared to risk possible ignominy and lawsuits later rather than proactively straighten out their own bad methods.

China suggests that, while it is observing the events in Japan, it is proceeding with the largest expansion of nuclear power anywhere in the world (at the New Yorker, Evan Osnos blogs on China’s nuclear power binge). In general, a lot of experts think the developing world will likely push ahead with its nuclear plants.

Turkey is still intent on building the country’s first nuclear reactor on this serene spot on the Mediterranean Coast. Cyprus says the zone falls right on a fault line.

Despite the imminent meltdown of Japan’s nuclear facilities now going from bad to worse, countries in the Middle East are announcing their clear intentions to stick with nuclear programs. Earlier this week Israel announced it would continue planning for a nuclear reactor in the Negev Desert, Australia offered uranium to the United Arab Emirates, and now Turkey, the People’s Daily of China reports, is going ahead with the construction of its first nuclear reactor, Turkish Prime Minister Recep Tayyip Erdogan said Tuesday. In fact for Turkey, the sooner, the better he urged.

We need to really look carefully at the place of nuclear energy, given that it is not entirely renewable and its capacity to destroy the entire planet. Future generations I am sure will class it in the same polluting and questionable category as fossil fuels.

We need to be much smarter than just grabbing the next resource and if this generation does not start to look at future needs and the future state of the planet then there will be no future – our history to date has been one of expediency and short term gain since industrialisation began.

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The world game playing on the micro and macro levels

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The Macro Level

To most spectators, David Beckham is a soccer superstar. But to the rest of the world, he’s pretty much an average professional footballer - at least in terms of salary.

David Beckham is one of the world's most well known soccer players but Beckham’s nearly $6.5 million does not equate with that paid to the top 20 highest-paid soccer stars, and barely puts him onto the list of the top 50 earners in the sport.

Other top players and their earnings include:

- Ronaldo
  - $23 million
  - Real Madrid

- Zinedine Zidane
  - $19 million

- Ronaldinho
  - $14 million
  - Barcelona

- Francesco Totti
  - $13.5 million
  - AS Roma

- Michael Owen
  - $13 million
  - Newcastle United

- Frank Lampard
  - $12.5 million
  - Chelsea

- Oliver Kahn
  - $11 million
  - Bayern Munich

- Raul
  - $10.5 million

- Alessandro Del Piero
  - $10.5 million
  - Juventus

- Michael Ballack
  - $10 million
  - Bayern Munich

- Thierry Henry
  - $10 million
  - Arsenal

- John Terry
  - $10 million
  - Chelsea

- Wayne Rooney
  - $10 million
  - Manchester United

- Ruud van Nistelrooy
  - $9 million
  - Manchester United

- Christian Vieri
  - $8 million
  - AS Monaco

- Patrick Vieira
  - $8 million
  - Juventus

While these salaries represent the top line, they also inspire young men from all walks of life to see soccer as both a sporting outlet and one once they are proficient, that also provides an economic opportunity for advancement for those born with the skills.

The following scenario is just one example of how the world game can help communities on a micro level.

The Micro Level

As you know I am a small businessman, ok a business man who owns a small business, philanthropist and member of Yarra Plenty Church (YPC). Sixteen years ago I used my passion for football (soccer) to establish the Eltham Eagles Soccer Club (EESC) for my children and as a mission to local youth in the Greensborough and Eltham area.

Recently Yarra Plenty Church and the Eltham Eagles soccer club together have been working on some strategic community development projects which will benefit AIDS orphans, and the Mbale community of rural West Kenya. Since 2004 we have had a trusting relationship with Bishop Isaac Wawire of the Word of Faith (WOF) Church in Kenya, who himself has established a track record on a number projects.

Isaac Wawire has shown great leadership when he was instrumental in quelling the massive destruction of youth riots in Western Kenya a few years back during elections. Many of the projects have grown out of his desire to provide for local youth, most unemployed, most with poor schooling, and many with parents lost to AIDS.

The Situation in Mbale

Mbale is a small hard-to-get-to town in the Vihiga District of western Kenya (population: 500,000).

Mbale faces many of the challenges including:

- 25% rates of HIV/AIDS - the highest rate of infection per capita in the world;
- 47% of the Vihiga population is 18 - 30 years old
- High rates of malaria;
- Poor education outcomes and attendance mainly due to economic factors (e.g. cost of uniforms) rather than access or aspiration;
- Poor access to satisfactory primary health care and health education initiatives;
- Low participation in the labour market - particularly for young people;
- Poor access to nutritional food sources;
- Boredom and lack of sports and recreation programs for young people.
Our Seven Key Measures

These are significant challenges and to addressing them (aiming for community transformation) we have put in place seven measures to track progress.

1. Halt and begin to reverse the incidence of HIV/AIDS, Malaria and other diseases
2. Increase the number of boys and girls that complete a full course of primary school
3. Increase the opportunity for young people (male and female) to achieve full and productive employment
4. Decrease the maternal mortality ratio
5. Increase the number of children living in strong safe ‘family’ environments
6. Decrease levels of crime and violence
7. Empower young men and women to become leaders in their own communities

The Projects

We are currently working with Isaac Wawire on 6 innovative projects that will make a long-term difference in the lives of individual young people, with the potential to transform their whole community.

1. Schooling. Dunamis Primary School - Supporting under-privileged children through provision of primary education, while ensuring AIDS orphans are not ostracised and/or locked out of educational opportunities.
2. East African School of Mission Micro-enterprise. A micro-enterprise crop business to support the training and releasing of Africans for missionary service in local, national and international contexts - in areas of church planting, primary health care and linguistics.
3. Primary Health Care. Increase the resources, knowledge and training in community health care, supporting local government health care plan with a primary focus on HIV/AIDS, malaria, maternal, neonatal and child health.
5. Care Compassion Micro-enterprise. A maize mill to generate income and make the orphanage self-sustaining and provide employment for the youth.
6. Vihiga District ‘Young Lions’ Soccer Club. An outreach initiative to provide hope and ambition, structure and focus to local youth, largely un-parented due to AIDS. A partnership with EESC is helping build capacity into league managers and administrators.

I believe these are good strategic projects, leading to life-transformation for youth in communities that are worse off than ourselves, which already have some financial and volunteer support from members of YPC.

All these projects have been started, and in April we will be facilitating the beginning of the Vihiga District Youth Cup. All of the projects are useful but none will affect the Vihiga Community more than the Soccer competition that we are looking to set up.
Healthcare Operations Management India 2011

Aliyyah Nuha Faiqah

BUILDING OPERATIONAL EFFICIENCY AND REDUCING COST WHILST MAINTAINING HIGH QUALITY STANDARDS

Mumbai, India, 13 April 2011-The Indian healthcare industry is booming and is expected to develop into a US$ 280 billion industry come 2020. Currently, many corporate players have descended upon the healthcare industry due to the rising concern of healthcare operations management. The demand for better quality healthcare services is more prevalent today than ever before.

Healthcare Operations Management India 2011, will be a two-day regional event and is scheduled to be held on the 11th-12th of August 2011 at Mumbai, India. This event with 14 interactive sessions has been specially designed in such a way to provide participants with a great platform to meet and discuss new ideas, challenges and future direction whilst gaining useful knowledge through practical case studies and presentations.

According to Project Manager, Geraldine Lopez, “The conference will address the key issues in healthcare management strategies, cost containment while increasing revenue, patient care and safety, healthcare information systems and telemedicine as well as medical tourism. Some of the highlights include learning from expert practitioners and award winners from leading organizations in India and across the borders, gaining insights on the latest technologies and software in the market.”

The event will feature top-notch speakers from the best local and international hospitals. They are Dr. Sujit Chatterjee, CEO of Dr. LH Hiranandani Hospital, Ram Narain, CEO of Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute, Raju Narayan, CEO of Parkway East Hospital, Ravi Virmani, Executive Director of Max Super Specialty Hospital and a multitude of others.

For more information on the event, log on to www.jfpsgroup.com or e-mail marketing@jfpsgroup.com

Asia Healthcare Operations Summit Successfully Launched

Mandy Lee

Asia Healthcare Operations Summit was successfully launched by YB Datuk Rosnah Shirlin Haji Abdul Rasid Shirlin, Deputy Minister, Ministry of Health, Malaysia March 23, 2011.

The conference, in its second year, managed to attract more than 50 organizations with over 100 attendees.

In helping healthcare practitioners to stay in touch with the latest new and technology, ASIA Healthcare Operations Summit aimed to deliver the utmost satisfaction to the attendees. This round, the topics such as effective patient and process flow management, medical information and records management, discharge management, quality management and patient safety, managing human assets, performance measurement, facilities management and maintenance, medication management and safety, as well as medical tourism were covered and delivered in a series of case study presentations, panel discussions and streamed sessions. It catered to the public and private sector healthcare.

ASIA Healthcare sealed the deals with eminent panel of speakers like Amir Firdaus Abdullah, Chief Executive Officer of Gleneagles Intan Medical Centre, Professor Philip Choo, Chief Executive Officer of Tan Tock Seng Hospital, Singapore, Dato’ Dr. Chan Kok Ewe, Director of Island Hospital, Malaysia, Professor Teo Eng Kiong, Deputy Chairman Medical Board & chief of Gastroenterology, Changi General Hospital, Singapore, and many others.

According to Project Manager, Sangeetha Silvaratnam, “Healthcare operations management has become a major topic for healthcare professionals and service providers. Ensuring effective operations and productivity in hospitals are crucial for efficient delivery of healthcare services. There are many huge general healthcare events being organized in countries like Singapore, India and Hong Kong, but there are very few that focuses on just healthcare operations. This is what made our event different from the rest out there. New topics such as patient flow management and clinical capacity planning will also be discussed in next year’s event. We have also incorporated a 1 day intensive workshop on Evidence Based Practices for Chief Nursing Officers and Chief Matrons.”

The event was officiated by Y.B. Datuk Rosnah Shirlin binti Haji Abdul Rashid Shirlin, Deputy Minister of Health, Malaysia.

(Photos opposite page)
Presentation of token of appreciation to YB Datuk Rosnah Shirlin Binti Haji Abdul Rashid Shirlin (Deputy Minister, Ministry of Health, Malaysia)

From left: Ms. Sangeetha Silvaratnam (Project Manager ASIA Healthcare Operations Summit), YB Datuk Rosnah Shirlin Binti Haji Abdul Rashid Shirlin (Deputy Minister, Ministry of Health, Malaysia), Prof. Philip Choo (Chairperson of ASIA Healthcare Operations Summit).

The participants of the ASIA Healthcare Operations Summit 2011