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Email:asadzaman@alum.mit.ed  
Phone/Fax (92-51) 9248024/9248025

Pakistan Institute of Development Economics  
Quaid-i-Azam University Campus  
Islamabad, Pakistan

# Asad Zaman

## Education

- June 1978** Ph.D. (Economics), StanfordUniversity  
**June 1976** M.S. (Statistics), StanfordUniversity  
**June 1974** B.S. (Mathematics), Massachusetts Institute of Technology

## Selected Professional Activities

Director, World Bank Research Project on “Effects of Trade Liberalization in SAFTA on India-Pakistan Trade,” 2004.

Director, PSLM and HIES Surveys, Federal Bureau of Statistics, Pakistan.

Member: [1] Board of Studies of QAU, [2] Board of Studies of PIDE, [3] Academic Council QAU, [4] Committee for Development of Social Sciences and Humanities in Pakistan, HEC, [5] NIBAF Board of Directors, State Bank of Pakistan, [6] Governing Council of Pakistan Bureau of Statistics[7] Committee for Development of Social Sciences and Humanities in Pakistan, HEC, [8] Data Procedures Council, PBS, Islamabad, [9] Member on the Monetary and Fiscal Policies Co-ordination Board, Internal Finance Wing, Finance Division, [10] Member of Advisory Committee for Agricultural Census 2016, PBS, Lahore .

Chairman, Programme on Econometrics & Statistics, State Bank of Pakistan – Organized training program for State Bank Employees in the Research Department, 2003

Chairman of 2002 Southeast Asia Region *Econometric Society* Meetings, held in Lahore, Pakistan.(Details on [www.econometricsociety.org](http://www.econometricsociety.org))

Elected to the Council of the Econometrics Society 2004-5

Country Coordinator for Research Project Consortium on “Religion & Development” DFID funded research project in collaboration with: University of Birmingham, Bath University, Nigerian Institute for Social and Economic Research, Dar-es-SalamUniversity of Tanzania, CSSS of Jawaharlal Nehru University of India, Islamic Relief, 2005

Director of Hajj Research Project, joint with HarvardUniversity funded by Harvard University, the Metanexus Institute for Religion and Science, and HEC, 2004-2006

## Positions Held

<b>Dec. 2013 to present</b> Vice Chancellor, PIDE	Pakistan Institute of Development Economics (PIDE), Islamabad
<b>Dec. 2002 to Dec. 2013</b> Director General, IIIE	International Islamic University of Islamabad
<b>July 1999 to Dec 2002</b> Professor of Economics	Lahore University of Management Sciences
<b>June 1993 to July 1999</b> Professor of Economics	Economics Dept., Bilkent University
<b>July 1991 to June 1993</b> Associate Professor of Economics	Economics Dept., Johns Hopkins University
<b>Aug. 1985 to July 1991</b> Associate Professor of Economics	Economics Dept., Columbia University
<b>Aug. 1984 to July 1985</b> Assistant Professor of Economics	Economics Dept., Columbia University
<b>Sept. 1978 to June 1984</b> Assistant Professor of Economics	<b>(On leave Sept. 1980— Dec. 1982)</b> Economics Dept., University of Pennsylvania
<b>July 1981 to Dec. 1982</b> National Visiting Professor	AERC, Univ of Karachi (on leave from U. Penn)
<b>Sept. 1980 to June 1981</b> Visiting Assistant Professor	California Institute of Technology, (on leave from U. Penn)
<b>Sept. 1977 to June 1978</b> Visiting Professor and Post-Doctoral Fellow	Center for Operations Research and Econometrics Universite Catholique de Louvain, Belgium
<b>June 1976 to Sept. 1976</b> Economist	International Monetary Fund, Washington, D.C.

## Books

**Statistical Foundations for Econometric Techniques**, Academic Press. 1996.

**Islamic Economics: A Survey of the Literature**, IRI Press, Islamabad, 2013

## Publications

“Estimators Without Moments: The Case of the Reciprocal of a Normal Mean.” *Journal of Econometrics*, Vol. 15, No. 2, pp. 289-298, February 1981.

“A Complete Class Theorem for the Control Problem, and Further Results on Admissibility and Inadmissibility.” *Annals of Statistics*, Vol. 9, No. 4, pp. 812-821, July 1981.

“General Admissibility and Inadmissibility Results of Estimation in a Control Problem.” (With J. O. Berger and L. M. Berliner) *Annals of Statistics*, Vol. 10, No. 3, pp. 838-856, 1982.

“Forecasting Without Theory: The Case of Pakistan's Exports of Rice and Cotton.” (With Abdul-Hafeez Sheikh) *Pakistan Journal of Applied Economics*, Vol. 1, No. 2, pp. 65-83, 1983.

“Avoiding Model Selection by the Use of Shrinkage Techniques.” *Journal of Econometrics*, Vol. 25, pp. 239-246, 1984.

“Admissibility of the Maximum Likelihood Estimate of the Reciprocal of a Normal Mean with a Class of Zero-One Loss Functions.” *Sankhya*, Volume 47, Series A, Part 2, pp. 239-246, 1985.

“Best Invariant Estimation of a Direction Parameter with Application to Linear Functional Relationships and Factor Analysis.” (with T. W. Anderson and Charles Stein). *Annals of Statistics*, Vol. 13, No. 2, pp. 525-533, 1985.

“Microfoundations for the Basic Needs Approach To Development: The Lexico-graphic Utility Function.” *Pakistan Journal of Applied Economics*, Vol. 5, No. 1, pp. 1-11, 1986.

“On the Impossibility of Events of Zero Probability.” *Theory and Decision*, Vol. 23, pp. 157-159, 1987.

“Short-term Forecasting: An Application of Box-Jenkins Methods--A Reply.” (with A. H. Shaikh), *Pakistan Journal of Applied Economics*, Vol. 6, No. 2, pp. 125-129, 1987.

“A Type 2 Inequality for Function of Bounded Variation.” *Journal of Multivariate Analysis*, Vol. 24, No. 1, pp. 53-55, 1988.

“Consistency Via Type 2 Inequalities: A Generalization of Wu's Theorem,” *Econometric Theory*, Vol. 5, pp. 272-286, 1989.

“Investment and Income distribution pattern under Musharka Finance: the certainty case,” (with Shameem Siddiqui) *Pakistan Journal of Applied Economics*, Vol. 8 No. 1, Summer 1989.

“Investment and Income distribution pattern under Musharka Finance: the uncertainty case,” (with Shameem Siddiqui) *Pakistan Journal of Applied Economics*, Vol. 8 No. 1, Summer 1989.

“Asymptotic Suprema of Averaged Random Functions.” *Annals of Statistics*, Vol. 19, No. 4, pp. 2145-2159, 1991.

“Decomposition of Growth Trends in Agriculture: Another Approach” (with Haroon Jamal), *Indian Journal of Agricultural Economics*, Vol 47, No 4, 1992

“Towards Foundations for an Islamic Theory of Consumer Behavior,” in **Readings in Microeconomics: An Islamic Perspective**, edited by Sayyid Tahir, Aidit Ghazali, and Syed Oman Syed Agil, Longman Malaysia, Kuala Lumpur, 1992.

“Interindustry Variation in the Costs of Job Displacement,” (with William J. Carrington), *Journal of Labor Economics* Vol. 12, number 2, pages 243-275, April 1994.

“Effects of Skewness and Kurtosis on Model Selection Criteria,” (with Sidika Basci), *Economic Letters* Vol 59 pages 17-22, 1998.

“The Inconsistency of the Breusch-Pagan Test ,” *Journal of Economic and Social Research* Vol 2, number 1, pages 1-11, 2000.

“A Method for Detecting Structural Breaks and an Application to Turkish Stock Markets,” (with Erdem Basci & Sidika Basci) *METU Studies in Development*, Vol. 27, number 1-2, pages 35-45, 2000

“Econometric Applications of High Breakdown Regression Estimators,” with Peter J. Rousseeuw & Mehmet Orhan, *Economic Letters* (71) 2001 pp.1-8

"Interest and the Modern Economy," *The Lahore Journal of Economics*, Vol 6, No.1, p113-127, Jan-June 2001 also published in *Islamic Economic Studies* Vol. 8, No. 2, Muharram 1422H (April 2000) p 61-74

“Maximum Likelihood Estimates for the Hildreth-Houck Random Coefficients Model,” *Econometrics Journal*. Vol 5. No.1, p237-262, 2002

“Tests for Normality Based on Robust Regression Analysis,” (joint with Asiye Ozlem-Onder) p. 296-306 in **Developments in Robust Statistics: International Conference on Robust Statistics 2001**, eds. Dutter, R Filzmoser, P, Gather, U and Rousseeuw, P., Springer-Verlag, Germany, 2003

“Measuring the Systematic Risk of IPO’s Using Empirical Bayes Estimates in the Thinly Traded Istanbul Stock Exchange,” (joint with Gulnur Muradoglu and Mehmet Orhan) *International Journal of Business* Vol 8, No. 3 Summer 2003, 315-334

- "Robust tests for normality of errors in regression models." (joint with A. Özlem Önder) *Economics Letters*, Volume 86, Issue 1, January 2005, Pages 63-68
- "Efficiency Wage Hypothesis – the case of Pakistan." (joint with Syed Kanwar Abbas), *Pakistan Development Review*, Vol 44 number 4, Winter 2005, 1051-1066
- "Towards a New Paradigm for Economics," *Journal of King Abdul Aziz University: Islamic Econ.*, Vol. 18, No. 2, pp. 49-59 (2005 A.D/1426 A.H)
- Response to Comments on "Towards a New Paradigm for Economics," *Journal of King Abdul Aziz University: Islamic Econ.*, Vol 20, No. 1, p. 73-82 (2007 AD/1428 AH)
- "Islamic Economics: Problems and Prospects," *Market Forces, Journal of Management, Informatics and Technology*, Vol 2 No. 1, pp. 46-53 April 2006
- Response to Comments on "Islamic Economics: Problems and Prospects," *Market Forces, Journal of Management, Informatics and Technology*, Vol 2 No. 3 pp. 233-240, October 2006.
- "An Islamic Worldview: An Essential Component of an Islamic Education," *Lahore Journal of Policy Studies* Vol. 1 No. 1, p95-106, June 2007.
- "Experiences of IIIE: 1983-2007," Conference Papers, The 7<sup>th</sup> International Conference in Islamic Economics: Thirty Years of Research in Islamic Economics, Jeddah: 1-3 April 2008, pp. 123-134
- "Improving Social Science Education in Pakistan," *Lahore Journal of Policy Studies* Vol. 2 No. 1, June 2008.
- "Critical Mission of the Muslim Economist," *La\_Riba, Jurnal Ekonomi Islam*, Vol 2, No. 1, Juli 2008, Universitas Islam, Indonesia, also in *Pakistan Management Review*, 2<sup>nd</sup> Qtr. 2009
- "Corruption: Measuring the Unmeasurable," (joint with Faiz-ur-Rahim) *Humanomics*, Vol 25, number 2, June 2009, p 117-126.
- "Origins of Western Social Science" *Journal of Islamic Economics, Banking and Finance*, vol 5, number 2, May-August 2009, p. 9-22
- "The Limits of Market Economy," entry in *Encyclopedia of Islamic Economics*, to appear.
- "Islamic Attitude towards Motives, Incentives of Economic Agents and the Role of Information" *Draft Entry in Encyclopedia of Islamic Economics*, 27 Oct. 2009, revised 9 December, 2009.
- "Scarcity: East and West," *Journal of Islamic Economics, Banking and Finance*, Vol. 6, No. 1, January - March 2010.
- "Tests for Structural Change, Homogeneity, and Aggregation" (joint with Esfandiar Maasoumi & Mumtaz Ahmed). *Economic Modelling*, vol. 27 (2010) 1382–1391

“Islamic Economics: A Survey of the Literature,” Religion and Development, WP 22, Univ. of Birmingham, 2008, Published in three parts: Part I: *Islamic Studies* 48:3 (2009) pp. 395–424. Part II: *Islamic Studies* 48:4 (2009) pp. 525–566 Part III: *Islamic Studies* 49:1 (2010) pp. 37-63.

“Causal Relations via Econometrics,” *International Econometrics Review*, vol 2, no. 1, 2010.

“Monetary and Non-Monetary Gift Exchange” (joint with Saima Mahmood), *Pakistan Development Review*, Vol 49 number 4, Winter 2010. .

“The Rise and Fall of Market Economies,” *Review of Islamic Economics*, 2010, Vol. 14, No. 2. Reprinted in Chapter 2 of *Civilization & Values: Open Civilization – Istanbul Approach* eds: M Yalçintaş, I Kurulay, and R. Şentürk, Istanbul: ICOC, p140-178

“Variance Estimates and Model Selection,” with Sidika Basci & Arzdar Kiraci, *International Econometrics Review*, vol 2. no 2, 2010

“Anti-Poverty Policies and Anti-Poor Philosophies,” *Journal of Business and Economics* Vol 2 Number 2 July-December 2010

“Power/Knowledge and Economic Theories,” *Lahore Journal of Policy Studies*. vol 4, No 1, p. 71-78, 2011

“Crisis in Islamic Economics: Diagnosis and Prescriptions,” Discussion Paper, *Journal of King Abdulaziz University: Islamic Economics*, 25: 1 ,(April/May 2012)

“Response to Comments on ‘Crisis in Islamic Economics’”. Rejoinder, *Journal of King Abdulaziz University: Islamic Economics*, 25: 2, p.227-250,(Sept. 2012)

“Methodological Mistakes and Econometric Consequences,” *International Econometric Review*, Sep. 2012, Vol. 4, Issue 2, p.99-122.

“The Normative Foundations of Scarcity,” *Real-World Economics Review*, issue no. 61, 26 September 2012, pp. 22-39

“The Empirical Evidence Against Neoclassical Utility Theory: A Review of the Literature” (with Mehmet Karacuka) *International Journal for Pluralism in Economics Education* Vol. 3 (4) December 2012, p.366-414

“Death of a Metaphor: The Invisible Hand,” *International Journal of Pluralism & Economic Education* Vol. 4(1), March 2013, p. 15-29

“Islam Versus Economics” Chapter 3 in *Oxford University Handbook on Islam and the Economy*, edited by Kabir Hassan and Mervyn Lewis, Oxford University Press, (2013 Forthcoming).

“Re-Defining Islamic Economics”, Chapter in *Islamic Economics: Basic Concepts, New Thinking and Future Directions*, Cambridge Scholars Publishing (2013, Forthcoming)

“Is Development Accumulation of Wealth? Islamic Views,” *Afro Eurasian Studies*, Volume 2, Issues 1 & 2, Aug. 2013.

“Multidimensional Poverty Measurement in Pakistan: Time Series Trends and Breakdown” (with Taseer Salahuddin) to appear in *Pakistan Development Review*, 2013.

### Submitted Papers:

“Contrasts between Islamic and Economic Views of Incentives” submitted to IRI Journal *Islamic Studies*.

“Contrasts between Western and Islamic Economics,” submitted to Riphah: *Journal of Islamic and Business Economics*.

“Gender and Ultimatum in Pakistan: Revisited,” (joint with Saima Mahmood) submitted to *Pakistan Development Review*

### Comments & Book Reviews

*Review of Islam, Poverty, and Income Distribution* by Ziauddin Ahmed. *Journal of Islamic Studies*, Oxford University Press, January 1993.

*Review of The Future of Economics: An Islamic Perspective* by M. Umer Chapra. *Islamic Studies*, Vol 40, No. 1, Spring 2001.

*Comments on “Testing Semi-strong Form Efficiency of Stock Market”* by Salman Syed Ali and Khalid Mustafa. *Pakistan Development Review*, Vol 40 number 4, Winter 2001. pp 672-674

*Comments on “The Supply and Demand for Exports of Pakistan: The Polynomial Distributed Lag Model (PDL) Approach”* by Zeshan Atique and Mohsin Hasnain Ahmed. *Pakistan Development Review*, Vol 42 number 4, Winter 2003.

*Comments on “Population Pressure, Savings, Investment and Growth in the Islamic World: Some Empirical Evidence”* by Dr. Hossein Pirasteh and Dr. Farzad Karimi. Proceedings of the 5<sup>th</sup> International Conference on Islamic Economics & Finance, held on 21-23 April, 2003 in Bahrain.

*Comments on “The MahbubulHaq Memorial Lecture: On Hayek’s Road to Serfdom: Sixty Years Later:”* by Ali Khan. presented at 20th Annual General Meeting (AGM) of the Pakistan Society of Development Economists (PSDE), 10-12 January 2005, Marriot Hotel, Islamabad.

*Comments on “The MahbubulHaq Memorial Lecture: Social Capital and Economic Development: Lessons from Pierre Bourdieu”* by Ali Khan. *Pakistan Development Review*, Vol 44 number 4, Winter 2005. pages 390-396

*Comments on “Contributions of the Last Six Conferences,”* by Dr. Munawar Iqbal, Proceedings of the 7<sup>th</sup> International Conference in Islamic Economics: Thirty Years of Research in Islamic Economics. 2008, pp. 109-114

*Comments on* “Obstacles to Research in Islamic Economics,” by Dr. M. Nejatullah Siddiqi, Proceedings of the 7<sup>th</sup> International Conference in Islamic Economics: Thirty Years of Research in Islamic Economics. 2008 pp. 15-18

Editor’s Introduction, *International Econometrics Review*, vol. 1 no. 1, April 2009

“In Memoriam: David Freedman (March 5, 1938 - October 17, 2008)”, *International Econometrics Review*, vol. 1 no. 1, April 2009

Editor’s Introduction, *International Econometrics Review*, vol. 2 no. 1, April 2010

## Invited International Talks

“On the Teaching of Islamic Economics,” at 6<sup>th</sup> International Conference on Islamic Economics and Finance, Jakarta, 2005

Faith & Development Workshop, University of Birmingham, Jan 2006 .

“Islamic Economics: the Way Forward,” presented at Marksfield Institute of Higher Education, Leicester, UK on Jan 18, 2006.

“Post Positivist Probability,” seminar at Tilburg University, Netherlands, 26<sup>th</sup> Jan 2006

“Comments on Dr. Munawar Iqbal & Dr. Nejatullah Siddiqi,” talks presented at The 7<sup>th</sup> International Conference in Islamic Economics, Jeddah: 1-3 April 2008.

“An Islamic Critique of Neoclassical Economics,” talk at IIUM, Kuala Lumpur, 11 June 2008.

“Causal Relations via Econometrics,” talk at Far Eastern Meetings of the Econometric Society, Singapore, 18<sup>th</sup> July 2008.

“The Limits of Market Economy,” Bilim ve Sanat Vakfi, Istanbul, and at Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC), Ankara, July 2009.

“Causal Relations via Econometrics,” Bilkent University, Ankara, Turkey, 7<sup>th</sup> July 2009.

Lectures on Islamic Economics at Imam Sadiq University, Tehran, Iran, November 20-22, 2010

Lecture on "Interest and the Modern Economy" at Bank of Iran. Teheran, November 21st, 2010

“Interest and the Modern Economy,” talk at Bank Indonesia, Bandung, 16<sup>th</sup> Dec, 2011.

“Crisis in Capitalism: Causes and Consequences,” talks at Padjajaran University, Bandung, and University of Indonesia, Jakarta, and at Ibn-e-Khaldun University, Bogor, 16<sup>th</sup> & 17<sup>th</sup> Dec, 2011.

“Crisis in Islamic Economics: Diagnosis and Prescriptions,” at 8th International Conference on Islamic Economics: 19-21 December 2011

“Methodological Mistakes and Econometric Consequences,” at International Conference on Econometrics and Operations Research, Famagusta, Cypress, 24-25 May 2012.

“Empirical Evidence Against Utility,” Bogazici University, Istanbul, and ADAM, Ankara May 2012.



“Comments on Nejatullah Siddiqi, Fahim Khan & Munawwar Iqbal” and “Islamic Economics: The Way Forward”. Papers delivered at Workshop: Islamic Economics at Crossroads, Islamic Economics Institute, King Abdul Aziz University, Jeddah, 12-13 November 2012

“Logical Positivism & Islamic Economics,” to be presented at The 2nd International Conference on Islamic Economics & Economies of the OIC Countries, Jan 29-31, 2013 Kuala Lumpur, Malaysia, sponsored by IIUM and IRTI.

“Islam Versus Economics”: Workshop On Basic Concepts And Thoughts In Islamic Economics, 1-3 March 2013 İstanbul-Türkiye, ILKE Association of Science Culture Education, Association of Entrepreneurship and Business Ethics (IGIAD), and Scientific Studies Association (ILEM)

“Re-Defining Islamic Economics,” 9<sup>th</sup> International Conference on Islamic Economics & Finance, 9-11 September 2013.

## Theses Supervised

### Ph.D. Theses

Waqar Masood Khan: *Towards an Interest Free Islamic Economics System: A theoretical analysis of prohibiting debt-financing*. 1984. Boston University

Sidika Basci: *Computer Intensive Techniques for Model Selection*. May 1998, Bilkent University

Mehmet Orhan: *Robust Regression, HCCM Estimators, and an Empirical Bayes Application*, May 1999, Bilkent University

Yasemin Bal-Gunduz: *The Estimators of Random Coefficient Models*, May 1999, Bilkent University

Asiye Ozlem-Onder: *Asymptotic Expansions for Test Statistics and Tests for Normality Based on Robust Regression*, June 1999, Bilkent University

Zahid Asghar *Sensitivity and Simulation Analysis of Granger Causality: An Empirical Investigation*, Pakistan Institute of Development Economics, 2007.

Saima Mahmood, *Efficiency Wages and Non-Monetary Motivational Strategies: An Experimental Approach*. Pakistan Institute of Development Economics, 2011

Mohammad Rehman, *Resolving Controversies about Determinants of Inflation*, IIIIE, International Islamic University of Islamabad, 2011

Atiqur-Rahman Kashmiri, *Model Specification and Unit Root Tests*. IIIIE, International Islamic University of Islamabad, 2011

Iftikhar Hussain Adil, *Detecting Outliers in Skewed Distributions*. IIIIE, International Islamic University of Islamabad, 2012

Mumtaz Ahmed, *Analytical Formulae for Biases of Heteroskedasticity Consistent Covariance Matrix Estimators*, IIIIE, IIUI, 2012

**Co-Supervisor for:**

Han Yung-Jung: *Bayesian Tests for Ricardian Equivalence*, JohnsHopkinsUniversity, 1993 –  
Supervisor: Dr L. Maccini

Sajid Amin Javed, *Uncertainty, Foreign Direct Investment and Economic Growth: Evidence from Developing Asia*, IIIIE, International Islamic University of Islamabad, 2012 Supervisor:  
Prof. Dr. Nasim Shah Shirazi

Hendri, Samsul Bahri *Export Led Growth Hypothesis: An Analysis of Indonesia's Trade Policy Pre and Post 1997 Financial Crises*. IIIIE, International Islamic University of Islamabad, 2012 Supervisor: Prof. Dr. Nasim Shah Shirazi

Muhammad Azhar Khan, *Determinants of Basic Need Fulfillment The Case of Pakistan*. IIIIE, International Islamic University of Islamabad, 2012 Supervisor: Prof. Dr. Nasim Shah Shirazi

**Current Ph.D. Theses**

Saud Ahmed Khan, *Hedging, An Islamic Approach*. [submitted Dec. 2012 to IIUI]

Ateeq-uz -Zafar *Islamizing Insurance in Pakistan*, [submitted Dec. 2012 to IIUI]

Rafi Amir-ud-din, *An Inter-Temporal Comparison Of International Poverty As An Achieved Functioning Deprivation* [submitted Jan 2013 to IIUI]

Tanweer-ul-Islam, *Testing for Normality: New Directions in Test Comparisons* [submitted Jan 2013 to IIUI]

Mr. Mudassar Rashid, *Model Specification Methods: Comparison of Autometrics with other Strategies*

Ateeq-ur-RehmanIrshad, *Comparison of Parametric and Non-Parametric Approaches to Measure Performance Theory and Applications*.

**M.A. Theses**

Faker Zouaoui: *Quality Measurement Plan Using Monte Carlo Methods*, May 1997, Bilkent University

Arzdar Kiraci: *Robust Regression and Applications*, September 1996, Bilkent University

Yener Kandogan: *Predictive Residual Sum of Squares Compared with J and Ja in Nonnested Hypothesis Testing*, May 1996, Bilkent University

Sidika Basci: *Detecting Structural Change when the Change Point is Unknown*, May 1995, BilkentUniversity

Mehmet Orhan: *Comparison of Several Estimators for the Covariance of the Coefficient Matrix*, September 1995, Bilkent University

Mustafa Cenk Tire: *Bootstrap and its Applications*. September 1995, Bilkent University

Kerem Tomak: *Evaluation of the Goldfeld-Quandt test and Alternatives*, June 1994, Bilkent University.

### **M.Phil. Theses**

M. Shahid Razaque: *The Ultimatum Game: Experimental Evidence on the effect of Gender and Raising Stakes*. March 2008, IIIE, IIUI

Syed Kanwar Abbas: *Efficiency Wage Hypothesis in Pakistan*. Nov., 2006, M.Phil, IIIE, IIUI.

M. Faiz-ur-Rahim: *Aspects of Corruption Measurement*. Dec 2006, M.Phil, IIIE, IIUI.

Mubashir Mukhtar: *Islamic Microfinance: Business in the name of Welfare*. May 2009, M. S. IIIE, IIUI

Taseer Salahuddin, *Poverty Measurement: A Multidimensional Approach*, October 2010. MS IIIE, IIUI.

Gulfam Haider, *Changing Points and Parameter Instability with Heteroskedastic Models*, 2012. MS Econometrics IIIE, IIUI.

Khan Bahadar, *Bayesian and Frequentist Approaches of Estimation: A Forecast Based Comparison on Panel Data*, 2012. MS Econometrics IIIE, IIUI.

Asad-ul-Islam Khan, *Comparison of Different Measures of Correlation for Categorical Data*, 2012. MS Econometrics IIIE, IIUI.

Abdul Ghafar Shah, *Getting the Result that you want from the Unit Root*, 2012. MS Econometrics IIIE, IIUI

Muhammad Irfan Malik, *Spectral Density Estimators and NG-Perron Unit Root Test*, 2012. MS Econometrics IIIE, IIUI

Mubashir Mukhar, *Investigating Causes of Inflation in Pakistan: Incorporating Paradox of Monetary Profits*, 2012. MS Econometrics IIIE, IIUI

### **Currently Under Way MS/M.Phil Theses**

Rubina Kiran, *Welfare Impact of Rising Food Prices on Households in Pakistan*.

Mamoona Sadaf, *Provincial Trade and Virtual Water Flows in Pakistan*

M Asim Latif, *Power Comparison of Moment-Based Normality Tests*.

Mehmood Hussain, *Measuring the Stock Returns Using Bayesian Techniques: A Case of Islamabad Stock Exchange*

Rana M. Imran Irshad, *Testing for Unimodality*

Waqar Muhammad Khan, *How One Can Use Granger Causality to Get Desired Results*.

Ali Raza, *Comparison of Bootstrap Skewness Versus Classical Tests of Skewness*.

Shahid Akbar, *Detecting Outliers in Stock Returns*.

Uzma Bashir Awan, *Determinants of Corporate Philanthropy: A Case of Karachi Stock Exchange*.

Munazza Jabeen, *A Comprehensive Look at Modelling Exchange Rate Volatility by Macroeconomic Fundamentals in Pakistan*.

## Course & Syllabus Development

### TEXTBOOKS UNDER PREPARATION

New textbooks, based on radical innovations in pedagogy and methodology, are under preparation for the following courses:

**Econometrics:** Current methodology of econometrics is based on concepts developed in the twentieth century. This methodology has become obsolete for several reasons. One reason is the unprecedented rise in computer power – this has the ability to substitute for concepts which were previously available only via extremely difficult theory. One can now SHOW the law of large numbers in operation via simple computer based calculations. This demonstration makes it possible for students to understand very complex concepts in a hands-on way. The second reason is the current econometric methodology is based on logical positivist foundations, and therefore approaches the subject in the wrong way. This issue has been explained in my article on the subject. Based on these insights, I have developed an entirely new approach to the subject, and I am in process of developing textbooks – beginning, intermediate and advanced – which will incorporate a new methodology for econometrics. I have been teaching the courses in this way over the past few years and lecture notes are already available. These need to be polished and finalized into textbooks.

**Behavioral and Experimental Economics:** The fundamental theories of microeconomics are based on axiomatic principles which do not apply to real world behavior of human beings. This means that studying real human behavior via experiments can create an entirely new way to do economics. I have taught several courses on this topic and developed my own approach to the subject matter. I am in process of writing up the lecture notes to develop a new textbook, suitable for students in Pakistan. This is essential because existing textbooks cater to US students where this is taught as an advanced course, which requires heavy background in mathematics and game theory. I have created lectures which students can understand with much weaker background.

**Islamic Economics:** I have taught several courses on this topic and I am in process of developing a new textbook for this subject. My approach differs radically from common existing approaches to the subject. Basic elements of my approach are summarized in my paper on Islamic Economics: A Survey of the Literature. This is under preparation for publication via IRI press, and will form the basis of the new textbook. The paper is very condensed, and requires expansion and pedagogical extensions to make it suitable for a text. This has already been done, and several lectures are available. Some organization and polishing are required to create a new textbook for the subject.

## SYLLABUS DEVELOPMENT

The global financial crisis of 2007-8 not only destroyed leading financial institutions, but also the leading macroeconomic schools of thought which could not foresee such a major economic event. In its wake, several Nobel Caliber economists, like Solow, Stiglitz, Summers, North and many others, stated that there were deep flaws in conventional economic theories. For example, Paul Krugman said that the Economics profession as a whole went astray because it mistook the beauty of mathematics for truth. I have devoted the past decade to a deep study of how to make radical changes to the conventional syllabus of economics, so as to bring in latest developments. A new program for teaching Economics at IIIE has been designed and implemented recently in light of these ideas. Three areas for change have already been described, for which courses have already been developed, and textbooks are under preparation. Some additional key ingredients of this new syllabus are described below.

**History & Its Impact On Ideas:** It is essential for economics students to study the economic history of the twentieth century, together with scientific laws governing economic events. Current economics syllabi emphasize quantitative methods and mathematics, and completely neglect history. In fact, a judicious balance is necessary. As a practical step, we need to provide a substantial grounding in economic history to our students. This is essential to develop a good intuitive understanding of the subject. In my article entitled “On Improving Social Science Education in Pakistan,” I have pointed out that social science is strongly shaped by the European historical experience, and must be modified to match our historical experience in order to be locally relevant.

**Agent-Based Computational Economics (ACE).** The neoclassical model of infinitely rational agents fails to explain many observed patterns in market prices, like heterogeneity of prices, failure of markets to clear, and others. A theoretical explanation of some of these failures is provided in my paper: “The Conflict Between General Equilibrium and the Marshallian Cross.” ACE provides a radically different approach to modeling economic behavior, based on simple agents following localized rules.

**Human Capabilities Approach:** Once we turn attention from building industries to building human capital as the key to economic development, it is essential to prioritize Mahbubul-Haq’s Human Development and the capabilities approach of Amartya Sen. These currently receive little or no attention in traditional economic syllabi. One of students has recently completed a Ph.D. thesis covering latest developments in this area.

**Poor Economics:** Esther Duflo and Abhijit Banerjee have developed a new approach to poverty based on large scale experiments. There have also been many other developments in the study of poverty. From the Islamic point of view, it is essential to emphasize the study of poverty and how to alleviate it. This has been kept in mind in the newly designed syllabus.