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A NOTE FROM THE EDITOR AND ASSOCIATE EDITORS

This issue marks the end of the editorial duties of three members of the editorial team. Chung-Sok Suh, Moon Joong Tcha and Sirimon Treepongkaruna have served RAE for the last six years. The journal thanked them for their valuable contributions to the success of the journal. At the same time the journal welcomes 6 new members to the editorial team; Michael Cameroon, Steven Lim, Kyoko Kusakabe, Alfred L. Oehlers, Anna Strutt and Evan Lau Poh Hock. The journal has also promoted Au Yong Hue Hwa to associate editor.

Seven years ago, when an editorial team was formed for RAE, submissions were low, and the outlook for the journal was not promising. But hard work, dedication and creativity have paid off. The journal has recently registered with EBSCOhost Publishing, with nation-wide access in more than 50 countries. EBSCO Publishing is engaged in aggregating premium full-text content into large research databases for libraries and universities. The journal is published annually, all editorial correspondence and submissions are done electronically and submissions have increased considerably over time.

This issue contains seven applied papers on various issues of interest to our readers. The lead article is by Ressler, Waters and Hill test whether Temporary Assistance for Needy Families (TANF) has succeeded in eliminating the adverse incentive structure existing under Aid to Families with Dependent Children (AFDC) program. Using GLS and IV estimation procedures on state data from 1993 through 2002, the authors find that the effect of TANF payments on heterosexual HIV incidence is significantly less than under AFDC.

Using data from the World Bank Development Indicators, the OECD International Direct Investment Statistics and the International Centre for Settlement of Investment Disputes, Nziramasanga, Inaba and Shreay investigate whether Bilateral Investment Treaties (BITs) increase FDI flows to developing countries and specifically whether foreign investors believe that host countries are credibly committed to their obligations under the investment treaties? Do foreign investors regard BITs as substitutes for strong institutions that protect property their rights from host country abrogation? Are foreign investors discouraged from investing in developing countries when they suspect a weakening of host country commitment to the investment treaties? The authors find that while BITs are effective in attracting investment, disputes tend to decrease future investment flow.

Tiller, Feleke and Starnes study examine the potential economic welfare implications for tobacco farms using the Equilibrium Displacement Model. Their results suggest that the Food and Drug Administration (FDA) regulation of tobacco products could induce a significant fall in domestic cigarette sales, leading to a significant loss in tobacco revenue and economic benefits. Therefore, despite the fact that tobacco growers are excluded from FDA authority in the Family Smoking Prevention and Tobacco Control Act of 2009, they are indirectly and adversely affected.

Tang and Lau attempt to re-investigate the behaviour of disaggregated public expenditures data and national income for Malaysia. This study covers the sample period of annual data from 1960 to 2007. The Bartlett-corrected trace tests proposed by Johansen (2002) were used to ascertain the presence of long run equilibrium relationship between public expenditures and national income. The results show one cointegrating vector for each specification of public expenditures. The relatively new MWALD test indicates a strong unidirectional causal effect runs from national income to public expenditures in Malaysia. While, bilateral causality evident exists merely between public expenditure on health and national income.

Gius determines the effects of two select types of high school extracurricular activities on future earnings: athletics and the National Honor Society. Utilizing data from the 1979 National Longitudinal Survey of Youth and a two-stage least squares estimation technique, the results indicate that high school athletes earn more in later years than honor society students. In fact, after controlling for academic achievement, honor society students earned no more in later years than non-honor society students. Finally, in examining the impact of participation in extra-curricular activities on future earnings, the results of suggest that participation in such activities increases earnings later in life.

Ngongang studies the potential repercussions of exchange rate policy on the trade of industrial products in Sub-Saharan African (SSA) countries. Panel data from 22 countries was used to estimate the impact of exchange rate policy on the trade of industrial products. The effects of three indicators were analysed, namely, the effective real exchange rate (ERER) changes, real exchange rate (RER) volatility, and (model-based measures of) RER misalignment. The analysis consists of estimating export equations for four manufacturing sectors (chemicals, textiles, metallurgy, and wood) and two exchange rate regimes, namely, a fixed exchange rate regime represented by the 12 countries of the CFA Franc Zone (CFZ), and a second and more flexible regime, represented by 10 countries outside the CFZ. The results suggest that exchange rate policy exerts a significantly positive impact on external trade performance through changes in the effective real exchange rate, and a negative impact through its misalignment.

Abou-Zaid investigates the international transmission of daily stock index volatility movements from U.S. and U.K. to selected MENA emerging markets: Egypt, Israel, and Turkey. Employing a multivariate GARCH in Mean technique due to Engle, the study finds that Egypt and Israel are significantly influenced by the U.S. stock market while Turkey is not. For example, the study findings generally suggest that international portfolio diversification and trading decisions in Egypt and Israel should be made in consideration of both the local and the U.S. markets' performance. Market participants should specifically pay closer attention to the local market conditions more than international ones in those two markets.

We hope that you are delighted with the content of this issue. We are committed to providing you with more stimulating and dynamic papers in future issues. We invite readers to suggest "themes" for special issues in RAE future issues. We want RAE to reflect your research interests and needs.

Christopher Gan
Minsoo Lee
Au Yong Hue Hwa