



Applied Financial Economics >

Volume 15, 2005 - [Issue 7](#)

129 | 21 | 0
Views | CrossRef citations to date | Altmetric

Original Articles

Assessing the role of financial deepening in business cycles: the experience of the United Arab Emirates

Ali F. Darrat *, Salah S. Abosedra & Hassan Y. Aly

Pages 447-453 | Published online: 15 Aug 2006

🗨️ Cite this article 🔗 <https://doi.org/10.1080/09603100500039417>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

📄 Full Article

📊 Figures & data

📖 References

🗨️ Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

Abstract

The relation between financial market development and the severity of business cycles in the economy of the United Arab Emirates is investigated. No evidence is found of a dampening effect from financial deepening on cyclical fluctuations in the short-run, but strong effects in the long-run. These results extend recent findings on the financial development/economic growth nexus and imply that growth volatility reductions expected from further financial developments are slow to materialize especially in countries with relatively large and well-functioning financial sectors.

Acknowledgements

The authors wish to thank an anonymous reviewer for many helpful comments and suggestions. All remaining errors are the authors’ own responsibility.

Notes

For example, the standard deviations of output growth are 22.06% in Saudi Arabia and 19.66% in Egypt.

‘Granger’ is attached to ‘cause’ since controversy still surrounds the Granger concept of causality which may differ from ‘causality’ in the strict philosophical sense.

Additional EC lags are excluded since they are already reflected in the distributed lags of the other explanatory variables. See Miller ([1991](#)).

Related research

People also read

Recommended articles

Cited by
21

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG