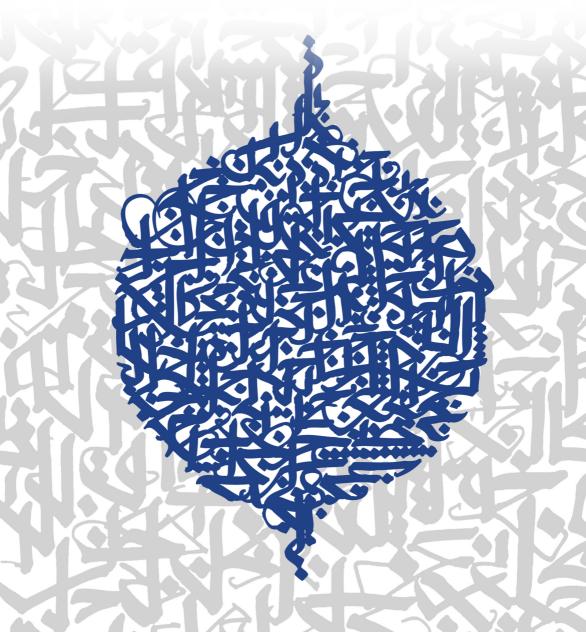
## **Arab Integration**

ESCWA

A 21<sup>st</sup> Century Development Imperative

Summary



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### Foreword

There is general agreement that the current state of the Arab world warrants serious concern. Observers concur that the Arab countries appear to be at a development impasse, evidenced by persisting knowledge gaps, fragile economies and the prevalence of human injustice. But when it comes to the reasons for the status quo, or what it will take to change it, agreement gives way to heated debate.

This report, entitled "Arab Integration: A 21st Century Development Imperative", suggests an alternative to the present predicament. Readers may wish to study its ideas and recommendations, take up those which they find relevant and reflect constructively on how to adapt others that may seem contentious. The report results from an ESCWA initiative conducted with a group of distinguished Arab thinkers from various schools of thought, occupations and regional backgrounds. What unites this eclectic group is a common belief in the role of the Arab world and a shared desire to protect its future. Its members firmly agree on the main aims and recommendations of the report, if not with every detail in it.

This group believes that a history of fragmentation, actively encouraged by outside forces, combined with some flawed policy choices by Arab countries, have left the region vulnerable to oppression, foreign intervention and stifled development. A disruptive legacy that has affected every Arab country's prospects will not be overcome through further discord. Rather, it requires a consolidated response from all: nothing less than the comprehensive integration and renewal of the region in all dimensions of its political, economic, cultural and educational life.

The present report considers integration to be a means and an end. An end in the sense that integration fulfils the aspirations of three hundred and fifty million people, sharing a common historical, cultural and spiritual heritage; bound by the Arabic language; and linked through geographical proximity. This is a nation endowed with a strategic location and enviable riches, yet burdened with unique challenges that should have motivated its members to identify and pursue their common destiny.

Integration is also a vital means, perhaps the most important, for launching a human renaissance throughout the Arab world, in which all Arabs, regardless of ethnicity, religion or gender, would participate as free citizens, equal in human dignity and equipped with the knowledge and creativity to build vibrant, open and just societies.

The authors of this report believe that such an Arab revival cannot be achieved in a region without an independent will, creative cognizance, real power and continuous renewal; and that such strengths can only be found through effective integration, enabling Arabs to secure once more their proper and flourishing role in human civilization.

This report examines the reasons for that failure, evaluating its causes and effects, and develops a strategic vision of integration, founded on three pillars. The first pillar is political cooperation for good democratic governance in the Arab world. This cooperation would establish a vital bloc that could work effectively at international forums to protect Arab rights and interests and to free occupied Arab territory, especially in Palestine, the Syrian Golan Heights and southern Lebanon. The strategy's second pillar centres on deepening economic integration by completing the implementation of existing agreements. The goal is to revive the project of economic union — one of the first aims of formal Arab cooperation — and bring it in line with contemporary development thinking.

The third pillar — possibly the hardest and most crucial to achieve — is cultural and educational reform. This would enable Arabs to reclaim their spirit of initiative and unleash their potential to build knowledge societies and thriving economies. Without that transformation, development will remain a dream in a world where knowledge draws the line between wealth and poverty, between power and impotence, and between success and failure.

At first glance, a proposal for Arab integration in the present strife-torn situation of the region may seem a quixotic fantasy. Conflicts that were previously limited to ruling elites have penetrated the fabric of some Arab societies, heightening ethnic and sectarian tensions, fuelling separatism and extinguishing tolerance where previously diversity was celebrated. In some countries, sectarian feuds have splintered whole populations, igniting civil unrest and violence that threaten national unity, territorial integrity and societal peace. Too often, foreign intervention has fanned the flames of strife to divert conflict in the region from a struggle against occupation, dependency and underdevelopment to one between religions, sects and ethnicities, thus damaging all Arab countries and undermining their capacity to liberate themselves.

The present report does not overlook this legacy of division and fragmentation but, rather, sees that the recommendations presented in its final chapter go a long way towards redressing the situation. Integration among parts strengthens all parts. Social cohesion can only be restored when all persons enjoy equal opportunities and equal rights. The appeal of sectarian discourse which has inflicted extreme misery upon all, will only recede when a comprehensive reform is achieved, restoring a flourishing culture that thrives on diversity. Foreign interference will only be bridled when faced with an integrated Arab world whose unity will shield it from violations, strengthen its resilience and reinforce its solidarity in addressing emerging challenges.

The call for Arab integration builds upon reforms already launched in some Arab countries to meet the aspirations of their people, expressed most vividly in the recent public awakening across the Arab world. Crystallized in popular uprisings led mainly by young Arabs, that awakening produced demands for freedom, dignity and justice which will eventually lead to participatory

democracies. This historic change lends powerful impetus to Arab integration, which can deliver for the vast majority of Arabs those benefits denied them by its absence.

Sceptics maintain that these popular revolts were merely abortive interruptions of the status quo that have now petered out. The report, however, does not similarly underestimate an awakened Arab public, drawing a distinction between failure and incompletion. It reminds us that the path to democratization and good governance is long, tortuous and perilous, and that those who thrived for decades by violating people's rights and appropriating national wealth will not easily yield to change. World experience shows that anti-revolutionary forces will defend their interests to the end by whatever means available. If they happen to succeed, their victories are short-lived.

Those sceptics do not recognize that overthrowing a regime is only one of many transformations brought about by the revolts. The permanent gains were accrued through the consolidation of change in the consciousness of a people who have broken the shackles of fear and misery driven deep into their minds and hearts. The Arab peoples have made themselves heard and felt: they have demanded their freedom, exercised their right to dissent, expressed pride in their culture and shown confidence in their abilities. There is no going back from that new mindset.

These are the messages of the report, which makes no claim to be perfect or infallible. Its main objective is to start a frank dialogue among Arabs on the status quo, the best strategy for moving beyond it and how comprehensive Arab integration could fulfil the aspirations of the peoples.

I warmly thank all who contributed to this endeavour, especially the panel of authors, for their professionalism and creativity. I also express my sincere gratitude to the members of the Advisory Board for advice and guidance that made the report more comprehensive and credible.

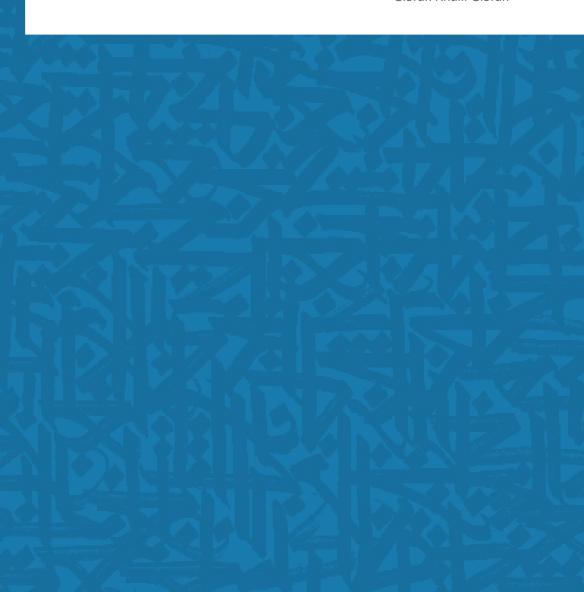
Finally, I extend my thanks to the ESCWA team for its support, professionalism and expertise in preparing the report and producing it in two languages. If this report promotes the kind of action-oriented discussion about our joint Arab future that our fellow regional citizens have been waiting to hear and join, it will have served its purpose.

Rima Khalaf

Under-Secretary-General Executive Secretary of ESCWA

# Pity the nation divided into fragments, each fragment deeming itself a nation

Gibran Khalil Gibran



### Overview

Arab integration is not a new idea. It has been adopted as an official goal, attempted and abandoned at different times since the 1950s. Some types of integration succeeded while many others did not, the casualties of wavering political will and unclear plans.

Failure has deterred further attempts. Some believe that, just as external and internal obstacles thwarted integration in the past they would do so again. Advocates of integration, however, argue that the region is enviably placed for close cooperation, with a common language and culture, a shared history and geographical proximity. No other regional grouping in the world started from such promising beginnings.

This report starts with the latter argument and goes on to make a case for integration as a prerequisite for human development and renaissance in the region. The extraordinary wave of civil revolts across the region has made comprehensive integration both more urgent and more feasible. These liberating rebellions shook republics and monarchies from the Atlantic to the Gulf. They unified the Arab political space with their common call for justice, equality, economic opportunities and freedom. But their hopes and expectations are on a scale that no single Arab country by itself can satisfy. Only through integration can the Arab countries initiate a renaissance equal to such sweeping demands. This historic change, and the popular movements behind it, provide an unprecedented impetus for integration, and a powerful assurance that, this time, the Arabs will see that the process is sustained and completed.

#### Why integration?

Around the world, even the greatest powers have seen fit to become part of larger entities in order to manage globalization and the fierce competition it brings. Meanwhile, Arab countries — fragmented and divided — try to face individually external pressures, domestic challenges and emerging risks in a world more interconnected and complex than ever before.

Comprehensive integration as advocated in this report is an altogether larger idea than conventional integration, and one greater than the sum of its parts. It is not just about linking political systems; it is about reinventing those systems in a free area of Arab citizenship to address real challenges to stability and peace by guaranteeing every

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Arab justice, equality, human rights and autonomy in all the Arab countries.

While comprehensive integration builds on expanded intraregional flows of goods, services and capital, it does not stop with the enhancement of the Greater Arab Free Trade Area. Rather, it is about directing the significant material benefits of enhanced trade towards sustainable human development so that millions more Arabs may lead fulfilling, decent lives in a more environmentally secure future that is free from poverty, unemployment and violation. This integration draws on Arab cultural identity and strengthens it by embracing diversity, pluralism, enlightened religion and the exchange of continuously developing knowledge.

The Arab region has missed out on the benefits that even a minimum level of integration could bestow on human development and national security. Fragmentation has caused the region's development efforts to falter in the past, and may do so again in the future. Integration offers a serious process of cooperation that would free the Arab people from fear and want, and restore the region to its rightful place in the world.

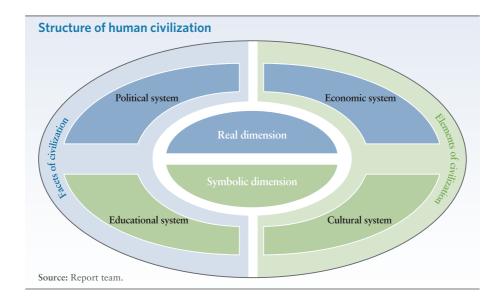
An integrated region is not closed to the world. In fact, Arab integration seeks to consolidate relations with other regional groups and bring together the best achievements of its own history with those of other civilizations through mutual learning and enrichment.

Comprehensive integration therefore goes well beyond economic integration to include all components of human civilization as defined by the Arab sociologist Ibn Khaldun: the economy and governance provide its material basis while culture and education make up its moral dimension. This broader scope defines the concept adopted in this report. While economic integration remains its mainstay, the concept looks beyond the narrow scope of trade liberalization to new foundations for production and diversification, new knowledge-based economies and new patterns of cooperation for developing integrated human, technological and productive capacities in the Arab region.

Repeated attempts at joint action fell short of their original inspiration, the dream of Arab unity

#### **Shortcomings in joint Arab action**

For over half a century, the Arab region has witnessed repeated attempts at joint action. Initially ambitious, these attempts soon descended into narrow economic



experiments that fell far short of their original inspiration, the dream of Arab unity. Moreover, even economic cooperation became limited to trade facilitation between under-productive economies, and was chiefly directed at capital mobility, which often aims for quick and easy gains. The path to a common Arab labour market was strewn with obstacles which prevented the implementation of existing agreements. These treaties became mere declarations of principles with little or no effect. Arab industrial integration shrank to a few joint ventures, which barely tapped the potential of comprehensive integration.

In the absence of political will, Arab regional bodies have made little headway with economic and cultural integration. Consequently, important opportunities have slipped through their hands, such as the establishment of a regional system to support knowledge acquisition and production. The neglect of educational quality and scientific research and technological development goes against the first premise of renaissance, namely, the re-birth of intellectual, cultural and scientific creativity.

Post-independence Arab countries adopted policies that divided the common Arab space and suppressed Arab history, actively extending the destructive legacy of their former colonial masters. In many countries, efforts to legitimize new nation-States undermined the common Arabic

In the absence of political will, Arab regional bodies have made little headway with economic and cultural integration

culture, language and memory in a bid to erase a proud history. As a result, the opportunities to lay the foundations of a common education for Arab youth were lost.

But the common heritage, language and history of the Arab people are irrepressible forces. They survived their repudiation by modernizing nation-States just as they resisted elimination by colonial powers. They live on in the minds, hearts and memory of the Arab peoples who do not submit to artificial borders and barriers, and they have rebounded from official denial and suppression.

#### **Peoples precede Governments**

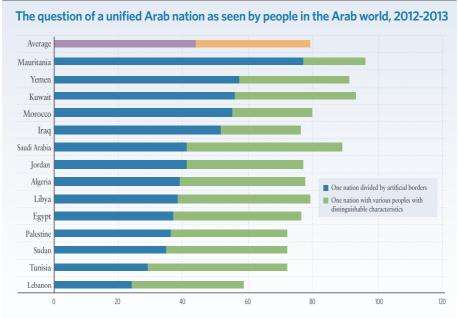
Not surprisingly, then, Arab popular integration has surpassed official Arab cooperation. Popular solidarity across the region has created new channels of communication and interaction, opening up the spontaneous potential of human integration outside official frameworks, and sometimes in spite of them.

Arab popular cooperation thrives on the diversity of the Arab region, a vibrant feature of its civilization. Identity is only enriched through diversity which has been celebrated for centuries in a region that was, for a long time, the crossroads of the world.

Literature and the arts have done more to unite Arabs than any official plan of integration. Poems, novels and short stories speak across borders to the shared experiences, hopes and tragedies of the Arab people, weaving a seamless cultural fabric from communities of feeling. Music, the language of emotion, continues to bring Arabs together wherever they may be, as the universal appeal of singers such as Um Kulthoom and Fairouz demonstrates. Artistic creations in one country are understood and appreciated by the people of another, thanks to cultural television programmes, publications and the reach of the Internet. Popular cultural integration in the region is a fact, made possible by a shared language and history. Its triumph is to have shaped a living Arab identity, an achievement no Arab country can claim.

Arab satellite television has greatly helped to diffuse this shared culture. By creating a common Arab space far richer than the closed ecology of Arab official media, it has broken a stifling monopoly over communications. Satellite television has familiarized regional audiences with one

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**Source:** Public opinion survey conducted by the Arab Center for Research and Policy Studies for the period 2012-2013. It is based on 21,350 interviews, with a representative sample of citizens in each country. The survey covered 14 Arab countries that account for 89 per cent of the regional population.

## Ahmed Shawqi, poet of pan-Arabism

My verses chanted the joy of the East My verses consoled the sad of the East God brought us together That we may bear our wounds In our grief he gave us unity So that when one of us falls The whole of the East Holds its side in pain

### The identity in the poems of Mahmoud Darwish

Palestinian name
Palestinian words and silence.
My country is far...and so is my heart!
My country is near...and so is my prison!
Why am I singing here
And my face is there?

#### Aboul-Qacem Echebbi: trans-generational poetry

If the people wanted to live And the night must disappear then destiny must respond and the chain must break Weak Arab
cooperation
has produced
a regional
system
incapable of
defending
Arab interests,
which has
created major
challenges to
the security of
citizens and
the freedom of
nations

another's customs and traditions, popularized vernacular dialects and created a simplified Arabic language that reaches greater numbers of people, drawing them closer together. It enables Arabs from Oman to Morocco to watch the same event together and to join in regional dialogues and debates. More recently satellite television closely followed, and partly enabled, the rise of Arab civil protests, which earned it the hostility of regimes. Although not entirely free of sponsor interests, it remains a force for Arab convergence as independent as the popular culture it helps to spread.

Undeterred by official opposition, popular integration appears in many forms. Despite host country restrictions, the Arab workforce in the Gulf countries, with its diverse customs and experiences, is by its nature, a sign of social and cultural convergence in the Arabian Peninsula. Across countries, civil society groups engaged in defending human rights, and especially women's rights; they joined hands to press their cause notwithstanding stiff obstacles to the right to organize.

By far the most astonishing display of popular solidarity in modern Arab history has been the wave of civil uprisings during the so-called 'Arab Spring'. It may be too soon to predict the final outcome of this historic development, but its main implications for the region are clear: Arab popular grievances and aspirations can no longer be ignored. The crowds that toppled autocrats spoke from a common experience of humiliation and deprivation. The extraordinary synergy that they developed among themselves was their powerful answer to decades of Arab disunity. Their demands for justice, equality and dignity, which echoed across the region, unified the Arab political space and represent a broad-based aspiration for a different regional order.

#### A compound crisis of fragmentation

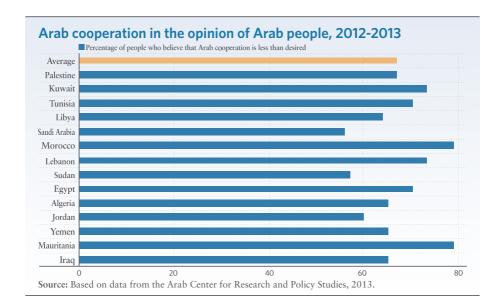
In the second decade of the millennium, the Arab order is in the throes of a compound crisis of fragmentation. Its divided political systems do not enable Arabs to stand tall in the world or face threats within the region from a position of strength. Its economies can no longer meet its material needs individually; its cultural system is too divided to fulfill its moral needs; and its educational

systems are unable to prepare knowledgeable, creative and productive minds to build its future. The effects of these accumulated crises have sent the Arab people into the streets and squares of Arab cities and towns to make their voices heard. If not addressed comprehensively, this compound crisis will leave a legacy of injustice to future generations who had no hand in causing it.

Weak Arab cooperation has produced a regional system incapable of defending Arab interests, development or the sovereignty of Arab countries. This has created major challenges to the security of citizens and the freedom of nations. The failure of Arab countries to adopt unified positions has made them acutely vulnerable to foreign interference.

Palestine is still under Israeli occupation which is based on settlement-building and substitution, in flagrant violation of international charters and resolutions. Israel's violation is not limited to direct occupation of Arab land and its repeated attacks on neighbouring countries. It consists of policies that threaten the security of Arab citizens across the region. These policies have led to civil wars, such as that in Lebanon, in an attempt to divide the region into sectarian mini-States. By pushing for an exclusive Jewish State, Israel propagates the concept of religious or ethnic purity of states, a concept that inflicted

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on humanity the worst crimes of the last century. This concept undermines human development based on equal rights for all citizens, and non-discrimination against any person on the basis of religion or ethnicity. Furthermore, the Israeli nuclear arsenal is a growing threat to the security of the region as a whole. Israel is the only country which has threatened to use nuclear weapons against Arab capitals, and has taken preparatory measures to that end.

Poor Arab cooperation has also undermined the region's independence. Many Arab countries now host major foreign military bases or are under the sway of foreign powers in other respects. Their subservience entrenches dependency and threatens national security.

A direct result of deteriorating Arab national security is the worsening problem of refugees and forcibly displaced persons. More than 53 per cent of the total number of refugees in the world comes from the Arab region, which is home to less than 5 per cent of the world population. These numbers are alarming. Yet, they fail to reflect the magnitude of human misery being suffered by these people, who are mostly women and children.

The absence of Arab integration, along with inadequate economic policies pursued by Arab countries stifled development. Achievements fell short of their official goals. Rampant corruption, unemployment, poverty and social injustice became commonplace in many cases.

Perhaps the most serious threat to Arab cohesion in recent years is that posed by cultural distortion. It has created sectarian and ethnic feuds which risk tearing Arab societies apart.

External aggression, domestic policy failures and a cultural crisis which distorts the concepts of jihad and

#### Fitnah (sedition) is worse than killing

(...and fitnah is worse than killing) (The Koran, Sourat Al-Baqara, verse 191).

(And fear a trial which will not strike those who have wronged among you exclusively...) (Sourat Al-Anfal, verse 25).

ijtihad have led to the emergence of extremist groups. These groups adopt radical and exclusionary doctrines based on narrow readings of scripture. Their intolerance restricts public rights and freedoms, especially for women and non-Muslims, while their rhetoric fuels sedition, subverting the unity of the region. The damage done by these intransigent groups does not end at their bully pulpits. Some have resorted to violence against Arab Christians and followers of other Islamic sects, taking their license to kill from radical fatwas. Stoked by fanatics, the fire of division in the Arab region has spread along sectarian and confessional lines.

## The Arab popular revolts: bridge to integration or additional barrier?

The Arab popular revolts that arced across the region in 2010-2011 led to unprecedented changes which took the world by surprise. Contrary to theories of Arab exceptionalism, Arabs had shown themselves capable of joining the world's so-called 'third wave' of democratization which had long seemed destined to pass them by. In the first year of transition, hopes for sweeping change were high; but as the rebellions morphed into violence and infighting in some countries, and democratic reforms faltered in others, initial optimism began to wane.

All the Arab countries in transition to democracy were hit by economic crises, for which they were not prepared. These setbacks affected incomes, employment, food prices and general growth, prompting disappointed protesters to return to the streets where they were often joined by supporters of the old guard. The impression that the tide of revolution had ebbed began to spread, and counter-revolutionary elements took the opportunity to announce its end.

There is, however, a difference between failure and incompletion. The forces of change may have found themselves temporarily stalled by events; but that does not mean they have been deterred. By its nature, democratic transition is accompanied by multiple constraints and pressures, frequently encountering setbacks. Economic conditions almost always deteriorate in times of revolution, as world experience shows. For example, countries of Central and Eastern Europe lost

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Overview Arab Integration

transitions
are not only
taking place
amid the
worst global
recession in
decades; they
are also beset
by hostile
forces in the
region

Arab

more than a quarter of their cumulative gross domestic product during their transitional phase before rebounding and recovering growth.

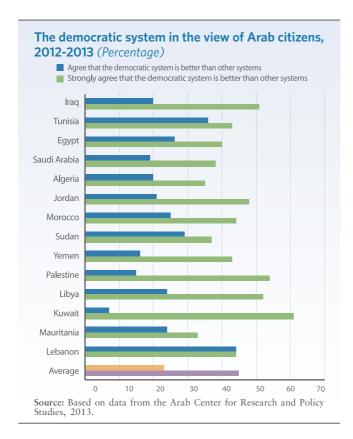
Revolutions, by nature, are a departure from the status quo. Their initial stages often involve dismantling corrupt and resistant old orders, and establishing new structures to fulfill the aims of the people. But this task of demolition and reconstruction is neither easy nor quick. The initial stages of transition have high price tags and few immediate gains. But people can bear these costs with extraordinary resilience when they can see that the potential gains of transition far exceed its price.

Democratic transition in Arab countries has proven more difficult than in Eastern Europe or other regions of the world. Arab transitions are not only taking place amid the worst global recession in decades, which has created sharp spikes in the price of imported food and other commodities and depressed overseas remittances; they are also beset by hostile and influential forces in the region with vested interests in restoring the status quo. This is quite unlike the situation faced by democratic transformations in Europe, for example.

Eastern European countries in transition received substantial material support and political encouragement from their neighbours, eventually joining them in an economic union. Arab countries, however, are mostly going it alone in a regional context suspicious of Arab democracy and a global context uneasy about its implications for foreign strategic interests. When these countries stumble, many applaud; and when they succeed, their opponents wait for the next economic crisis or security threat to stoke popular discontent and turn people against their new leaders.

Seeing new leaderships struggle to navigate in difficult waters may give the impression that the tide has gone out on them, and that a return to tyranny is possible. However, this notion confuses a temporary phase of transition, often fraught with crises and passing victories for opponents, with an inexorable historical transformation. Such transformations are seldom linear; but one or two steps back do not signal a new trajectory or different goals.

Democracy in the Arab countries will encounter obstacles and pitfalls, as was the case everywhere else in the world, but there is little doubt that it will ultimately



There is a direct and strong link between the Arab revolts and Arab integration

prevail. The Arab uprisings broke once and for all the shackles of tyranny and fear that had bound the Arab people to autocrats. It is no longer possible to re-subject the Arab public to oppression. That public, especially its younger cohort, has flexed its muscles, tasted freedom and demonstrated the power of active civil resistance in the face of injustice. It will not brook a counter-revolution on its watch.

There is a direct and strong link between the Arab revolts and Arab integration. That historic wave of change portends a shift towards democratic political systems built with broad popular participation in political and economic decision-making. This, in itself, constitutes an opportunity to revive Arab integration and increase its scope and effectiveness, leading to a renaissance in those countries, and perhaps in the entire Arab world. This can be achieved if good democratic governance is complemented

Overview Arab Integration

Representative political leaderships that express people's goals would be the first to understand that economic integration complements national economic development and popular welfare

with broad and deep social reform. Representative political leaderships that express people's goals and interests would be the first to understand that economic and cultural integration complement national economic development and popular welfare. In fact, democratic establishments would likely seek to develop more advanced and comprehensive forms of Arab integration transcending narrow economics in order to reap benefits for all citizens.

## Economic integration paves the way for comprehensive integration

The benefits of comprehensive integration are not quantifiable. However, those of economic integration are, and can be identified through econometric simulations. Using the best available models, this report presents standard quantitative estimates of the consequences on the economies of Arab countries of keeping current modalities of integration, which are limited to trade liberalization and the establishment of an Arab customs union. It then runs different scenarios for enhancing economic integration by other means and compares their results with the estimated consequences of the status quo. The proposed scenarios include such small steps as achieving free movement of labour, at least partially, and eliminating some of the non-tariff obstacles to Arab intraregional trade.

The analysis shows that the expected returns on completing trade liberalization and establishing an Arab customs union by 2015 are modest at best. In other words, the status quo is not the best scenario. This is not because trade liberalization is irrelevant, but because customs tariffs are no longer the only obstacle to Arab intraregional trade. The biggest obstacles to the movement of goods between Arab countries are behind-the-border hurdles such as non-tariff barriers and the high cost of transport. The analysis concludes that no significant increase in gross domestic product and income would result from trade liberalization unless Arab States eliminated all restrictions and protectionist measures in parallel with the lifting of customs tariffs.

Moreover, the analysis indicates that even a slight liberalization of non-tariff barriers would yield important benefits. For instance, reducing the cost of transport by five per cent per annum, and replacing twenty per cent of the future influx of expatriate workers in the Arab region with Arab workers, would double the rate of income rise compared to trade liberalization alone. It would also lower unemployment rates by more than four per cent on average for all Arab countries. This increase in income and welfare may multiply if additional measures recommended in this report are taken, such as the liberalization of trade in services, and the development of regional value chains.

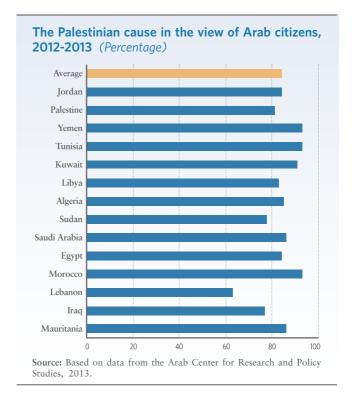
Remarkably, the evidence shows that such measures would deliver significant benefits for all Arab countries, both rich and poor, a conclusion that dispels the notion that Arab integration would help the least developed countries at the expense of the most affluent ones. As examples, the United Arab Emirates is one of the countries that would benefit most from increased income, Saudi Arabia, from gains in human welfare, and Tunisia, from increased job opportunities and hence lower unemployment rates.

#### **Obstacles to Arab integration**

Arab countries have spent much ink on agreements intended to remove barriers to intraregional trade. Their goals - to promote Arab regional integration, achieve economic growth and address the challenges of poverty and unemployment - have not been met, and the hopes of the Arab people remain unfulfilled. Global powers have often contributed to the failure of Arab unity, from British opposition to the nineteenth century renaissance project started by Muhammad Ali through the infamous Sykes-Picot Agreement that chopped up the region into zones of British and French influence, up to present-day attempts to redraw the regional map around the Middle East and North Africa region.

Alternative regional cooperation structures such as the latter are not neutral. Western countries conclude bilateral agreements with individual Arab States, and then build a regional partnership between States signatories of bilateral agreements. In this way, they impose Israel on the regional order before it has complied with international resolutions calling for an

**Fconomic** Integration would deliver significant benefits for all Arab countries, both rich and poor, a conclusion that dispels the notion that integration would help the least developed countries at the expense of the most affluent ones



The
responsibility
for Arab
integration lies
squarely on
Arab shoulders

end to its occupation of Arab lands and for the return of Palestinian refugees.

Ultimately, the responsibility for Arab integration lies squarely on Arab shoulders. The regional institutions erected to manage regional cooperation have not been able to overcome disputes and disagreements among countries, or the effects of wide variations in standards of living among them or the impact on regional cooperation of their different objectives for it. For a long time, unrepresentative Arab regimes that took their legitimacy from international powers and not from the people showed little interest in practical cooperation with one another. The backlog of deprivation and division left over from their misrule created obstacles to integration within countries, with fierce group competition for resources and power splintering nations into subnational ethnic and sectarian identities. Class differences and the urban-rural divide also widened, undermining efforts at unity.

At the regional level, weak political will and loose implementation plans ensured that most cooperation treaties were short-lived. As a result, obstacles to trade, such as non-tariff barriers, still hinder economic integration while the larger project of integration could face complex socioeconomic challenges.

Some analysts believe that an emerging cultural conflict threatens to develop along existing fault lines in Arab societies, posing thorny challenges for integration: this is the conflict between the advocates of absolute modernization and the forces of despotic fundamentalism, a divide marked by extremism on both sides.

This conflict has polarized public debate and arises from a clash between two incompatible cultures that both fall outside the Arab mainstream. The first is a modern culture overshadowed by western historical particularities, which thus lacks universal dynamism because it remains tied to a colonial tradition of acculturation that long shaped elite mindsets. The second is an ancient culture dominated by eastern particularities, which thus also lacks universality because it remains mired in medieval attitudes that came to distort the tolerant values on which Islam is based. Arabs today are being dragged into a quarrel between two types of fundamentalism, secular and religious, each side of which offers only futile causes: a type of modernization that denies core Muslim values and a form of traditionalism that denies human rights.

Integration, as defined in this report, presents a way beyond this sterile conflict, which has been fueled by inequality, poverty and the poor economic performance of nation-States — the same factors underlying the Arab civil revolts that called for dignity and freedom. Equality among all citizens without discrimination will transform differences into diversity that enriches the Arab world, ending the appeal of divisive ideologies. The process of revitalizing mainstream Arab civilization through broad-based human development and social justice will expose these feuds for what they are: narrow-minded distractions from the task of building a common Arab future. The foundation of this common future is the common heritage and history of the Arab people, and their commitment to values consistent with human rights.

Equality
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#### Visa requirements for Arab travelers between Arab countries

to from	Algeria	Bahrain	Comoros	Djibouti	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libya	Mauritania	Morocco	Oman	Qatar	Saudi Arabia	Somalia	Sudan	Syria	Tunisia	UAE	Yemen
Algeria																					
Bahrain																					
Comoros																					
Djibouti																					
Egypt																					
Iraq																					
Jordan					1					1											
Kuwait																					
Lebanon																					
Libya																					
Mauritania																			2		
Morocco							3											3			
Oman																					
Qatar																					
Saudi Arabia																					
Somalia																					
Sudan																					
Syria																					
Tunisia																					
UAE																					
Yemen																					
Visa n	Visa not required 1 Entry granted for holders of a 5-year valid passport																				

Visa obtained upon arrival

Prior visa required

2 Entry granted for holders of a certain amount of money

<sup>3</sup> Does not apply to women

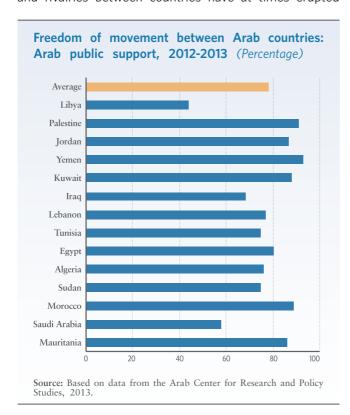
Note: Palestine has no control over its borders, and thus entry is subject to the approval of the occupying Israeli authorities.

Source: Report team

#### Consequences of the status quo

This report examines two historical choices for development in the Arab world: the first is to maintain the status quo; the second is to reach for a brighter collective future. The current path entails division, oppression, regression and violation. The alternative leads to comprehensive integration and human renaissance.

Division and inward-looking national policies impeded effective Arab convergence and integration, denied Arab countries economies of scale, and kept them from defending Arab interests in the world from a position of collective strength. On a regional map drawn up in imperial war rooms, through the divisive structures of colonialism, to the artificial borders consolidated by autocratic nation-States, division undercut any effort to secure the well-being of the Arab peoples. Disputes and rivalries between countries have at times erupted



The current path entails division, oppression, regression and violation; the alternative leads to integration and renaissance

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Arab countries.

into bloody conflicts. All of this has left Arab countries unable to provide the most basic prerequisites for human development and human security, including knowledge, the twenty-first century standard of advancement and the fastest route to prosperity in a globalized world.

Arab countries, both the rich and the poor, will remain small and weak in the global arena if they continue to work individually. This becomes obvious when they are compared with the rising powers, giant conglomerates and powerful regional blocs of the contemporary world.

Oppression under autocratic regimes curbed freedoms and rights. The equation of wealth with power opened societies to all forms of corruption. State oppression and restrictions on opposition groups and minorities in the name of national security eclipsed the principle of equal citizenship for all citizens, turning people from national to group loyalties. In the absence of democratic governance and civic frameworks for reconciling differences, these loyalties have led to tribal conflicts, sectarian strife and infighting.

Regression in a dependent and under-productive political economy dominated by rent-seeking activities and weak production structures has sent the region into a spiral of low productivity, uncompetitive production, unemployment and poverty. This pattern makes Arab countries depend on the outside world for everything from food and aid to goods and knowledge, leaving them weak and vulnerable without their own means to provide decent lives and livelihoods for their citizens.

Violations in a region beset by foreign occupation, political interference and military intervention have eroded its security and set back its development. Infiltrated by outside influences, dotted with foreign military bases and outflanked in international organizations by larger powers, the Arab world has seldom had room to manoeuver. Its weakness on the international stage invites such violation and is a direct result of division and regression.

Maintaining the status quo also means incurring the grave risks of water scarcity, aridity, climate change and environmental degradation without common adaptive strategies or transboundary cooperation to protect the regional commons.

#### The three freedom goals

In contrast to this first, destructive trajectory, the alternative, namely to move towards comprehensive Arab integration, has tremendous potential. It is, in fact, the only way to achieve the three 'freedom goals' that would portend a human renaissance in the region.

The first freedom goal is to protect the rights and dignity and ensure the security of all Arab citizens irrespective of their nationality, religion, ethnicity or sex. Security starts with the liberation of the Arab world from occupation and foreign influence. Dignity comes from the establishment of good governance to ensure justice and democracy under a new social contract that guarantees equal citizenship and human rights for all.

The second freedom goal is to liberate Arab production from its current weak, inefficient and uncompetitive pattern. This requires diversifying industrial structures into more flexible, more knowledge-based and more value-adding enterprises, capable of meeting the material needs of the Arab people by generating employment, income and better living standards. Strong and continually developing industries require effective integration across the chain of production if they are to compete effectively in international trade. This development strategy should be complemented by intercountry initiatives to reduce environmental and ecological stresses in the region.

The third freedom goal is to unshackle Arab culture from self-inflicted limits and conflicts and to restore its vigour and that of its language. To that end, the best characteristics of Arab-Islamic civilization must be revived and enriched with the best achievements of human civilization. This also entails enhancing and preserving

Khalil Mutran, staunch defender of the Arabic language

"The Arabic language — which is extremely rich yet heavily shackled — is capable, when released, to open the doors of its endless treasures, and to grant its poets a unique vocabulary, fine sentences and wonderful metaphors to make it a surpassingly wondrous language."

One of the freedom goals for the Arab world is to protect the rights and dignity and ensure the security of all Arab citizens

Renaissance
can only be
achieved in
through
independent
will; creative
cognizance;
real capacity;
continuous;
renewal; and
autonomy

the Arabic language, promoting diversity and boosting knowledge acquisition and production in order to make knowledge the driver of creativity in all aspects of society. Cultural advancement should be complemented with intellectual reform based on a critical approach. The aim is to break the doctrinal and institutional chains that have confined religious thought to the past and to liberate true Islam from rigid interpretations by restoring independent reason.

A free and flourishing Arab renaissance in the sense implied by these goals is not to be confused with a romantic return to a golden age. Nor is it in any way associated with Arabism based on race or ethnic origin. Renaissance is an act of historical creativity aimed at reshaping the human components of the Arab-Islamic civilization inspired by its own principles, and enriching it with the best achievements of other societies. Renaissance loosens the dead grip of regression and repression on the spiritual and material lives of Arabs, and it can only be achieved in the presence of five key elements: the independent will of free people; creative cognizance that achieves the conditions necessary for an independent regional entity; real rather than delusional capacity; continuous renewal achieved through permanent dialogue between all segments of the people; and autonomy which will be achieved when a comprehensive union, whose members converge around its mission, is established in history. This implies the convergence of all Arab countries into a free Arab citizenship area where all Arab citizens enjoy equal citizenship rights.

Arab integration, as set out in this report, would mean the progressive and voluntary unification of the people in the region into an independent entity capable of achieving human development and competing effectively with other regional groups. The road to that destination would be marked out by successive forms of regional integration, which would pave the way. It would undoubtedly be built on the ruins of the current path, which has left the Arab people disillusioned, alienated and angry. Completing that historic shift will enable Arabs to say, with assurance and pride, that they have regained their rightful place in the world, and know how to hold it; that no task of development is too great for a community of empowered regional citizens; and that future generations will be all the stronger for inheriting Arab unity.

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For the Arab countries, integration is a development imperative. Around the world, even the greatest powers have opted to be part of larger regional entities in order to manage globalization and the competition it brings. Meanwhile, Arab countries — fragmented and divided — try to face individually external pressures, domestic challenges and emerging risks in a world growing more interconnected and complex each day. The isolation of individual Arab countries is all the more regrettable because Arabs share a common language, heritage, history and culture, and are linked by geographical proximity. No region that successfully integrated began with greater advantages.

Arab integration is not a new idea. It has been adopted as an official goal and attempted at different times since the 1950s. However, a history of division actively encouraged by outside forces, and an absence of clear political will and strategies, have almost always frustrated these efforts. As a result, Arab countries have missed several opportunities to join forces to promote development and national security, wasting the potential of integration to create a regional order that upholds the rights, freedoms and dignity of all its citizens.

Taking its cue from the first aims of formal Arab cooperation over sixty years ago, the present report calls for a new Arab project of comprehensive integration. This ambitious initiative rests on three pillars: stronger political cooperation for good governance and effective external diplomacy; deeper economic integration to reap benefits for all Arab countries; and more extensive educational and cultural reform to root out lodged constraints and enable Arab knowledge societies to thrive.

An important goal is to unify the Arab space, creating one area where all Arab citizens enjoy full citizenship rights in a true nation of free will, creative knowledge, real power, continuous renewal and autonomy. The report argues that nothing less will answer the awakened call of the Arab people for justice, opportunities and freedom as heard during the recent wave of popular protests across the region. This historic awakening lends powerful impetus to Arab integration, which can deliver for the majority of Arabs those benefits denied them by its absence.

The report demonstrates that comprehensive integration, properly managed, can benefit all the Arab countries. It emphasizes, moreover, that an integrated Arab region will not close itself to the world but seek to consolidate relations with other regional groups and strengthen ties with other civilizations.



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