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Arab development and modernisation have suffered retreat and stagnation since the beginning of the 20th century. Social development had reached maturity with political, economic and social achievements that were gaining widespread popular support. But external and internal pressure put social development on a descending track and emptied it of substance. Developmental discourse disappeared and was replaced by a neo-liberal discourse focusing exclusively on economic growth. The return of developmental discourse is a reaction to global deterioration of living conditions especially since the 1980s under structural adjustment.

THE ARAB DEVELOPMENT PROJECT

The Arab NGO sector has an important role in development discourse today. It is conscious of the need to avoid two extreme stands, the first being a rejection of all things foreign that do not fit our social and historical characteristics, the second exemplified by the simple and uncritical acceptance of foreign influence. The Arab NGO sector looks at development as a firm option derived from the rich experience of the Arab societies. At the national level, it may include the following elements:

- An increase in growth and productivity in association with regional and social justice, especially on property and redistributive relations.
- A democratic transformation of state and society including decentralisation and full participation in the decision and policy-making processes.
- Abrogation of all forms of economic, social and legal discrimination against women, youth and any segment of the population suffering from such discrimination.
- Strengthening of multi-level mechanisms for social and national integration.
- Strengthening of the culture of citizenship with values of participation, self-reliance, tolerance and openness.

DEVELOPMENT IN THE ARAB WORLD AND THE ROLE OF THE ARAB NGOS

- Recognition of the role of civil society organisations as essential partners in decision-making processes and strengthening their role along side the state.

A PANORAMIC VIEW

The Arab world is part of the third world and similar to other Southern states in its history of merging into the global market. But particular characteristics distinguish the Arab world from the rest of the South:

- *Crude oil.* About two-thirds of the world's oil reserves lie in the Arab world. This strategic commodity plays a significant role in economic growth in the Arab world and increases the dangers associated with its control, as seen from the Gulf wars. Monetary wealth accumulated in the Gulf states, especially after the increase of the oil prices in 1973, but most of it went to security systems and weapons that sucked surplus capital from the region and transferred it back to developed countries.
- *Strategic location.* The Arab world was strategically located in relation to the cold war and the historical conflict centring on the Israeli settlement project in Palestine. As a result, many Arab countries followed a pattern of militarisation allocating economic resources to military budgets and weaponry, and five costly wars were fought in the region.
- *Water.* Lack of water resources in the Arab world is a strategic and security issue as well as a developmental issue. The Arab world has 5% of the world population but only 1% of the available global water resources. More importantly, most of these water resources are not controlled by the Arab states. Adaptation to lack of water is pushing Arab states to abandon agriculture as the economic value of water in agriculture is less than its value in industry or for domestic use.
- *Oil prices.* Oil-producing states suffered from a sharp drop in oil prices, which resulted in accumulated budget deficits and a decrease in redistribution of surpluses to many groups in society.
- *Democracy.* Lack of democracy is reflected in lack of political participation, authoritarian state machinery, and disrespect for

human and minority rights. Despite some political liberalisation since the late 1980s, increased intensity of political and social polarisation threatens states with civil war and social disintegration. Lack of democracy is an essential obstacle to development in the Arab world.

- *Women.* In addition to the general socio-economic factors that hinder the integration of women in society and their active participation in development, there are special social and cultural factors relevant to the dominant traditional social structure in the Arab world. The principle of equality between men and women does not contradict the Arab values and is an important basis for development.
- *Labour migration.* Some countries export skilled labour, leading to an uncompensated deficit, and others import immigrant labour without appropriate protections for the labourers.
- *Plurality.* There exist huge differences among the Arab states. Some states have tremendous oil wealth and financial capabilities, but lack population and are mostly deserts. Other states are large, heavily populated and have great agricultural capabilities (Egypt and Sudan), but they lack capital.

Most Arab countries have achieved significant progress in some social indicators since 1970, but still occupy low positions relative to countries in other regions except for sub-Saharan Africa. The differences among the countries would argue for greater economic cooperation, but intra-Arab economic relations are low compared with relations with other regions. Political relations among Arab countries are also difficult, making real integration unrealistic. Reports show that intra-Arab trade relations do not exceed four to 5% of the total Arab trade volume.

STRUCTURAL ADJUSTMENT POLICIES

Structural adjustment was meant to solve the socio-economic crisis, which in Arab countries was caused by three factors: increased interest rates, protective measures by industrial countries; and a drop in material prices, especially crude oil. Decrease in the value of exports and subsequent decrease in capital transfer from oil producing to other Arab countries led the latter to borrow to compensate for these losses. At the end of 1998, the total value of external debt had increased to about USD 201 billion or about 49.2% of GDP of all Arab countries (the debt of all developing countries reached 26% of the GDP of all developing countries). Structural adjustment also serves to open up Southern markets, including Arab ones, to Western commodities. Most Arab countries have agreed to implement SAPs. Morocco started in 1983, Tunisia in 1986, Jordan in 1989, Egypt in 1991, and Yemen and Algeria in 1995. The rest of Arab countries (*eg*, Lebanon, Syria and Sudan) have no formal SAP commitments.

BASIC DEVELOPMENT PROBLEMS

The basic problems of development in the Arab world can be divided into five main categories.

- *Decline in economic growth.* Statistical data show that the rate of productive labour and real wages in the Arab world are equal to 1970 figures. Combined GDP reached USD 408 billion in 1997. The annual rate of economic growth during the period of 1975–1995 was 3.2% and it was estimated at 2% in 1999. Per capita income was USD 2,327 in 1975 and USD 2,914 in 1980, but dropped to USD 1,842 in 1990. Attracting capital requires relative political stability and essential economic reforms that do not yet exist. Arab exports are growing slowly at a very low rate (1.5% in the recent years in contrast with 10% for all developing countries and 6% globally).
- *Demographic and labour problems.* The population growth rate declined in the last two decades from 3.2% in 1985 to 2.5% in 1996. Population, now at about 280 million, may reach 600 million in 2035, with dramatic increases in population percentages of children under 15. The labour force grew at a rate of 3.2% in the 1980s, 3.3% in the first half of the 1990's and 3.7% in the second half of the 1990s. Rates of unemployment and poverty increased. The estimated unemployment rate for many Arab countries is no less than 15%. Strong urban population growth is usually associated with «ruralisation» of the city because of severe problems of housing, transportation and food. Slightly more than half the population (52%) live in urban centres. The labour force is characterised by low productivity, many unskilled workers (over 50%), high percentages of child labour and a modest participation of women estimated at about 19% in 1997. About 40% of the total labour force is in agriculture, 38% in services and 22% in industry.
- *Problems of the environment, agriculture, food and water.* Only 70% of the population now has safe drinking water. The Arab world is considered the most dependent on food imports. The imbalance in food provision is estimated to be about 61% in 2000, with an estimated food gap value in 1995 of USD 12.7 billion (an 18.7% increase over 1994). Agriculture production reached about USD 74.6 billion in 1996, or 13.1% of GDP, increasing from 8.9% in 1985. The Arab world still suffers from a variety of obstacles to food security, *eg*, lack of water, climate change, soil erosion and desertification, weak material and monetary capabilities, infrastructure deficiencies and skills deficits. Negligence of the environment has an annual cost, according to many experts, of USD 14 billion, or 3% of GDP. Air pollution affects over 60 million urban inhabitants or about 40% of total urban populations (20% of the total population). Fighting pollution and desertification would cost an estimated USD 58–78 billion in the next decade and is considered essential to development.
- *Social and economic performance problems.* In most Arab countries, economic growth in the 1990s fell below population growth, with the exception of Libya and the Gulf states. Industrial production as a share of total GDP decreased from

35.3% in 1985 to 31.2% in 1996. Obstacles in the industrial sector are: absence of an institutional structure appropriate to industry itself; weakness of supporting services; national market limitations; barriers to the free movement of commodities and individuals between the Arab countries; and the higher cost and lower quality of industrial products making it difficult to compete.

The Arab world suffers from the absence of necessary plans and strategies to address the many social challenges. The housing problem is intensifying and widespread poverty is growing. Illiteracy is estimated at 41.4% and although it is decreasing as a percentage of population, the number of illiterates is increasing. Illiteracy reaches 60% in some of the least developed Arab countries and it drops to less than 20% in others (Lebanon and the Gulf states). Female illiteracy is higher, reaching about 75% in Mauritania and Yemen. The estimated average for all Arab countries in 1997 was 53.6%.

The Gini Index is twice as high in the Arab world as it is in the other developing countries (UNDP). In the 1960s, the difference in the *per capita* income between the oil producing and the non-producing countries was 2 to 1; it reached 9 to 1 in 1987 and in 1999, it had increased to 33 to 1. The average *per capita* income in Sudan is USD 480 while in the United Arab Emirates it is USD 15,770.

There are also significant cultural and political obstacles: firstly, the crisis of democracy in the Arab world., which represents a threat to development and a legitimacy crises for many Arab regimes. This endangers stability, weakens the state institution, and undermines law. At the same time it strengthens the authoritarian character of the state that does not recognise the rights of the free citizens. On the other hand, the cultural identity crisis. This crisis takes many religious forms. In essence, it stems from the differences among systems of values and is a reflection of the Arab rejection of and confrontation with Western cultural penetration that is also associated with political and economic domination.

THE FEATURES OF AN ALTERNATIVE DEVELOPMENT

The general characteristics of an alternative developmental plan should include the following:

- *Democratisation of political life at the level of the state and society.* It is not only necessary to increase the level of popular participation but also vital to enhance the political legitimacy of the regime. The higher the level of participation of citizens in the decision-making policies at all levels, the greater the legitimacy and stability of the political system.
- *Decentralisation of decision-making to municipalities* will improve services and make participation in development more effective. Co-operative popular banks, educational institutions, and health service providers depend on cooperation with municipalities, NGOs, private sector, governmental agencies, trade unions, universities, and other civil society organisations.
- *Redefinition of the role of government.* Governments have a role to play in development planning and implementation of social and economic policies to address the many existing problems. The state should be an efficient, rational and economic manager that gives priority to the social dimension of development and participates in providing the basic social services. This conception of state does not accept the contradiction between state and market and is based on the experiences of many East Asian states.
- *An integrative development model.* Experiences in the last decades were classified under two extremes: the statist model versus the neo-liberal market-oriented model. The new integrative approach assumes different and complementary roles for the state, civil society and the private commercial sector. The successful developmental experiences of many Asian countries have shown that the active role of the state in planning, providing the integrative framework to all parties and in playing an effective role in providing social services, equal opportunity and equality was an indispensable factor behind the success of these experiences.
- *Collaborative policies integrating industry and agriculture* that lead to a qualitative improvement in the conditions of the agriculture. This should decrease the level of dependency in essential needs and increase self-reliance to satisfy local needs as well as bring about necessary reforms in education and research.
- *Empowered civil society organisations* that can effectively participate in developmental plans through decreased government domination.

THE ROLE OF CIVIL SOCIETY AND NGOS

In the Arab world, 'civil society' is often used to express the traditional, religious, sectarian, tribal and family structures still dominant in society. This use of the term distorts it. 'Civil society' should refer to the modern voluntary associations that belong in the modern state and are based on citizenry and free association to promote collective interest. Democracy and participation cannot be reduced to voting. Democracy means continuous involvement of wide social segments in decision-making processes and in supervision and execution of developmental projects. It requires a degree of decentralisation beyond what exists in the Arab world.

Building a strong, effective and efficient Arab NGO sector would involve the followings steps:

- *Development of an appropriate democratic and legal framework for Arab NGOs.* This framework has three interrelated elements. The first is legitimisation of Arab NGOs based in UN conventions and international law, by allowing for freedom of association at all levels. The second is independence meaning the right of NGOs to define their own goals and missions, and respect by government and other

institutions for the organisational and administrative independence of NGOs. The third is accountability, transparency, and monitoring of NGOs. These three elements are equally important in an appropriate legal framework for NGOs.

- *Development of a general conceptual framework for social policy.* National public policy must be agreed upon between all effective forces in society, especially between the public sector, the private sector and NGOs.
- *Formulation of a model for professional cooperation between the national governments and the NGO sector.* This model should be based on the concept of 'full partnership' between national governments and Arab NGOs. A consultative mechanism should be institutionalised to facilitate this process. Government should recognise that the role of NGOs is not limited to providing services but it extends to the development of democratic principles and practices in local communities. In our view, the NGO sector has a comprehensive role to play in all spheres and sectors of society.
- *Development of a model for professional national and societal cooperation between NGOs and the rest of the civil society organisations.* Civil society comprises NGOs, political parties, trade unions, the media, and social movements among others. An institutionalised, organised and continuous consultative mechanism among all civil society organisations is needed. The relationship between NGOs and political parties needs special attention, since political parties often seek to dominate NGOs while NGOs seek to enhance their independence.
- *Strengthening, empowering and enhancing the democratic structure of the Arab NGOs.* This work must focus on three interrelated spheres. The first is sound management with a clear vision and agreed upon values, professional procedures and transparency mechanisms. The second is improvement and development of administrative and technical capabilities. Efficient administrative techniques are needed to improve the quality of NGO services and enhance their relations with local Arab communities. The third is human resource development

and the development of work ethics. This should include important issues like knowledge, information skills and ethics. Capabilities should be built in accordance with new NGO requirements, that is, the move from the mere provision of social welfare to development. Professionalism should not be over-emphasised at the expense of neglecting voluntary work, however.

- *Co-ordination, cooperation, consultation and networking among the Arab NGO organisations.* One objective of the networks is to build a clear common and comprehensive vision of social and economic development in Arab societies. Another purpose is to develop strong local partners to national governments, partners who can participate in the management of the developmental processes in Arab countries and reflect local communities' perspectives in decision-making processes.
- *Achieving self-reliance and self-financing.* Exclusive dependence on external finance threatens the existence of NGOs. Self-reliance requires that NGOs enhance their relations with local communities. Relations with the private sector should be developed to create mechanisms to increase the role of the private sector in the processes of development. Relations with international NGOs must also continue to enhance mutual respect, common vision and real partnership, especially in issues of strengthening democracy, social justice and human rights.
- *Establishing relations with Arab local communities.* The suggestion for a new integrative, institutionalised and systematic strategy for relations between local communities and NGOs is an essential, important and decisive manner for the effective intervention and sustainability of Arab NGOs.

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