

*Arab Economic Charter*

**First Edition  
2015**



Copyright Reserved  
**Arab Thought Forum**

Translated by: **Eng. Haider Momani**

**Arab Thought Forum**

P.O.Box: 1541

Amman 11941 Jordan

Tel: (+962-6) 5333261/5333617/5333715

Fax: (+962-6) 5331197

**E-mail:** [atf@atf.org.jo](mailto:atf@atf.org.jo)

**URL:** [www.atf.org.jo](http://www.atf.org.jo)

[facebook.com/atf.jordan](https://facebook.com/atf.jordan)

[twitter.com/atf\\_jordan](https://twitter.com/atf_jordan)



**Arab Thought Forum**

# *Arab Economic Charter*

*Foreword: El Hassan bin Talal*

1436 A.H. / 2015 A.D.  
Amman – Jordan

## *Contents*

**Presentation** (Dr. Moh'd Abu-Hammour, Secretary General of ATF) ... 5

**Foreword** (El Hassan bin Talal)..... 11

*Chapter One:*

**Arab Status and Necessitating Reasons** ..... 21

*Chapter Two:*

**Renaissance of National State** ..... 37

*Chapter Three:*

**Common Arab Economic Renaissance** ..... 71

# ***PRESENTATION***

*Dr. Mohammad Abu Hammour\**

**I**t is time for a re-diagnosis of the current Arabic economic reality. Challenges more acute than ever before, from deep recession to development gaps with national and global ramifications, are creating new economic exigencies that affect every aspect of life. The enlightened Arab vision of a comprehensive renaissance to overcome these systematic and historical weaknesses is more important, and more practically possible, than it has ever been before.

The consequences of internal and external crises, especially during the first two decades of the third

---

\* Secretary General of the Arab Thought Forum (ATF).

millennium, have illustrated the danger of a situation in which, with the relative exception of oil producing countries, our share of gross domestic product per individual is less than one half of the world's average, as is our expenditure on health and education. We spend less than a quarter of the world average on scientific research and technological development, while our rate of unemployment and poverty is twice the world's average.

The result is a series of existential challenges which threaten Arab States in the domain of resources, the squandering of wealth and continued dependence in regard to the historical transition to a production economy. Consequently we see a threat to the entity of the human being in Arab States; an assault on his economic, social and cultural security. Among the priorities of our intellectual work and active endeavor, is to concentrate intensively on setting the benchmarks and determinants of a renaissance, one pillar of which should be the economy with the human being at its center.

This will only be possible if a strong Arab economic bloc is created that places the nation in the position of influence and efficiency in our contemporary world, and is built upon the rights of its population. This will require national economic formations that integrate with each other to realize ambitions in the medium to longterm.

None of this is possible without agreeing on an initial framework of agreement for action. An Arab Economic Charter is necessary to form the basis of an analytical entrypoint into the developmental reality of the Arab World as well as to consideration of its future horizons, so that together we can accelerate changes and transformations at the international and regional level. After the financial crises which the world has witnessed during the past years, and after the stages of the so called ‘Arab Spring’, we can all see the need for a more focused and comprehensive vision in which economic, social and political dimensions are linked together in a single unit. This united vision is necessary to remedy disturbances in developmental structures and their influence on human security, equality and

social participation so we are no longer vulnerable to escalating international changes.

This Charter is a path towards the vision we require, from national development in Jordan to common Arab regional development. It constitutes the intellectual reference points and general guidelines necessary to illustrate the beginnings of a gradually phased-in economic framework. It will identify latent possibilities that can be overcome to combat developmental failure, and build an economic bloc created through Arab dynamism and the objective conditions necessary to change the life of the Arab citizen during the coming decades.

The ‘Arab Economic Charter’ follows on from the completion of the ‘Arab Social Charter’ completed by the Arab Thought Forum in the year 2012. The Forum began preparation for this report under the guidance of the President and Custodian of the Forum; His Royal Highness Prince El Hassan bin Talal, may God Protect Him. A committee was formed consisting of economic experts and specialists from numerous Arab countries as well as members of the Forum. Two members of

the Forum, Dr. Jawad Al-Anani and Professor Ibrahim Badran have been selected to prepare a preliminary draft of the Charter which has been discussed by the extended committee in its first symposium, which was held in the Forum's residence in Amman on 24 February 2014. On 13 July 2014 that same committee reconsidered the draft in the light of its remarks and suggestions. After further readings and discussions, the committee agreed on a provisional final form of the Charter. This document has been sent to all members for further comments before its official launch. A final version of the Charter was forwarded to a meeting of the Forum's Board of Trustees on 27 September 2014. The core philosophy and aims of the Charter, with a supplementary explanation thereof, have also been forwarded to the business pioneers participating in the main session of the "Arab Youth Conference: Pioneering and Creativity", which was held under the patronage of HRH Prince El Hassan bin Talal in Al-Manamah, in the Kingdom of Bahrain, on 21 January 2015. This Conference was held in joint collaboration with the Arab Thought Forum, the International Center for Business Pioneering and Investment and the United Nations Industrial Development Organization.

This Charter has acquired the engagement of the Arab and Regional institutions. The ATF envisages that these and other institutions will be able to implement elements of this Charter within their own countries, towards a renaissance of actual growth and greater dignity for human beings.

May God grant us success.

## *FOREWORD*

*El Hassan bin Talal\**

**W**hen historians look back on our time, they will write of a period of economic instability, transition and unusual opportunity.

In the West a reliance on credit and overly sophisticated financial instruments has created the deepest recession since the 1929 Wall Street crash. In the East, the BRIC's countries of Brazil, Russia, India and China represent emerging economic powers. These countries are searching for new ways to sustain growth, integrate into global economic systems, and meet the lifestyle expectations of their own populations.

In the Arab World, or what I am keen to refer to as the West Asia North Africa region, we are geopolitically situated between two quite different

---

\* President & Patron of Arab Thought Forum.

economic realities, one to the East, and one to the West. During the age of the four thousand mile Silk Road this was a source of economic strength. Today, it has left us in an economic “no mans land.”

Many Arab states suffer from arrested economic growth as a result of their status as “middle-income” economies. Egypt, Morocco, Tunisia and Jordan all fall into what Michael Spence refers to as the “middle income trap”, with GDP per capita falling in the bracket between US\$5,000 and US\$10,000. The “middle-income trap” makes it difficult for those Arab states to compete with low-income countries in terms of cheap sources of labour, whilst simultaneously being unable to compete with advanced industrialized countries in terms of technology and innovation.

With the exception of certain states in the Gulf Cooperation Council, our path to development has been chequered by conflict and dependency on financial aid. Significant efforts to modernize and industrialise have been systematically weakened by the failure of Arab states to act collectively, as single economic bloc with manifold political and cultural accents.

Our civilization has been in decline for a century. We inherited much. Our birth right as Arab's has at times been taken from us. At other times, we have squandered it. Over the past decades dejection and hopelessness have infiltrated themselves into the native dynamism, curiosity and self-belief of the Arab psyche.

Out of the empty barrenness of many of our deserts, has come the planet's most precious commodity: oil. Yet when we presume to see opportunity elsewhere – in our population, our agriculture, or in new commercial applications in science and technology – it is if we collectively perceive the road ahead to be too long, and too hard. For generations we have all appreciated the need for economic change. But the financial returns have been too small. The technical and psychological effort required too great. The timing has never been good. The risk, always too great. Cautiousness is not always wisdom; and our collective cautiousness in committing to economic change has cost us several generations.

Statistics representing a century long recession fill almost every page of this Charter. I see no need to revisit them here, or to cast back to a time when it was Arab libraries that housed the ancient learning of Greece, and Arab astronomy and math's that looked outwards to examine the contours of the universe.

The economy is our lifeblood. It is a part of our culture, an emblem of our spirit, and the only guarantee next to Almighty God, of a secure and prosperous future for our children. Without a sense of, and belief in this future, there can be no real wealth. There can only be pockets of individual financial capital, looking restlessly to markets abroad for their security. This is a sad sight, often indicative of economic escape, rather than the emergence of new markets or innovation.

Real wealth is built on top of layers of knowledge, education, health-provision, transport infrastructure and production. In the Arab World we have millions of young men and women who are disenfranchised economically, and cannot find

work. The great irony of course is that putting aside the economic arguments clearly outlined in this Charter, there can be no building and no successful Arab civilization in the early twenty first century without these young people. It is not enough to find them jobs. We need to find meaning in the work that we do.

What is so frustrating is that change by 2030 across all Arab economies is a realistic goal. The Arab World does have the surplus capital to build again. The oil importing states are equipped with human and intellectual capital that, if managed and deployed properly, could drive greater and more equitable economic development in the region. This is matched by huge amounts of financial capital, with the potential to turn our shared developmental ambitions into reality.

History has shown that resources such as this, applied correctly, can change history. If it were not for the American financed Marshall plan, Europe would have taken several generations longer to recover from the physical and mass-psychological trauma of World War II.

The contemporary cost of the Marshall plan would be equivalent to one hundred and twenty billion dollars in today's money. Between 2007-2017 the Strategic Foresight Group estimate the Arab World will spend over one thousand and eight billion in cumulative military expenditure. The Arab world is paying foreign corporations and governments for weapons that we will then use to decimate our own economic interests.

This Charter is a practical document. It has two key messages. The first is, the Arab World has a choice. We can choose to be dependent and poor for the next fifteen years, as the security-state grows and hotbeds of economic misery undermine our values, and everything our forefathers bequeathed to us. Or we can acknowledge that the next fifteen years in the Arab World will be extremely uncomfortable – as the path to industrialization and growth always has been.

The second message of the Arab Economic Charter is that we must find it in ourselves to transcend a history of colonialist divide and rule, and begin to operate as a single economic bloc.

The Arab World will never be able to operate as an equal trading partner with the United States, with the European Union, or with China or India, as a series of twenty-two economic principalities. We are living in an era of economic bloc's. Despite the impressive economic growth of many Arab economies in the Gulf Cooperation Council, our negotiating position as a whole is weaker than it might otherwise be.

When an entire population contributes to economic growth, the economy as a whole is stronger. When a region trades with itself, invests in itself, and negotiates as a single economic bloc, it represents more than the sum of its individual parts.

My thanks to the Arab Thought Forum for drafting this ambitious document, as an initial source of guiding principles for enhancing economic development across the Arab region.

Chapter One explains the current state of economic development in the Arab region and the rationale behind the Charter.

Chapter Two identifies twenty key thematic areas for improvements in economic policy and programming.

Chapter Three lays out a series of commitments to be undertaken by the Arab states in their respective and collective initiatives for advancing towards a ‘Common Arab Economic Renaissance.’

This brings us to the heart of the Arab Economic Charter, as not simply a blueprint for regional Arab economic renewal, but a strategy to consider how we will once again contribute to the sum of human understanding and knowledge as a whole.

*Arab*  
*Economic*  
*Charter*



*Chapter One*

**Arab Status and Necessitating Reasons**



## *Chapter One*

### **Arab Status and Necessitating Reasons**

#### **1. Introduction**

The Arab World forms one cultural region, stretching across the desert belt and extending from Central Asia to the Atlantic Ocean. The region shares many common denominators which affect its economical, social, political and human paths. The desert belt, which is both dry and hot and mostly arid, is characterized by low rainfall and meagre lakes. The desert has left its imprint on the entire region. The influencing factors of history, language, culture, religious and social structures and the nature of human interaction with the environment have made growth rates in the majority of countries in the region similar to each other. These shared factors also meant that the positions of each country on the ladder of progress was approximately the same. The future of individual states has always been influenced by conditions in the region as a whole, including climate change. This suggests the need for the creation of a socio-economic

outlook that will overcome the current stage of growth on an individual state basis, and on a binary regional basis. Only then can we transform into a new economic bracket which puts the region's economies on a more equal footing to that of other states, by the year 2030.

This document is entitled the 'Arab Economic Charter' because it forms an introduction to an Arab desire for improvement in all areas and self-dependence nationally, and regionally at the Arab level; at the same time as attempting to build a strong economic block for all Arab countries. If one country is weak, there cannot be a strong superstructure. The Arab world must be able to compete with strong international economic blocks which today cover all continents.

## **2. Arab Status**

The economic and social status of the Arab World place it at a level which is lower than half of the world's average indicators in the areas of Gross Domestic Product (GDP), expenditure on health and education, or an individual's share of energy and water. The exception here are the states of the Gulf Cooperation Council. Expenditure on scientific research and technological development is below one quarter of the world's average. The unemployment rate is twice the world's average.

Individual wealth does exist in Arab Countries, but power does not reside in this wealth in its raw form; rather it exists in the possibility of manufacturing wealth and elevating its value added impact, so that it forms the basis of multiple industries. This requires the presence of a national vision of each state as well as a common Arab vision, in order to motivate socio-economic change.

All Arab economies are at the same stage in terms of their status as pre-industrial economies, which rely in the first degree on agriculture, modest value-added services, trading in foreign products, in addition to some transformational industries which together by no means form a solid industrial base for the economy. The region has become an open space for international labor in general and Asian labor in particular, in spite of the abundance of Arab labor forces looking for job opportunities. This has been accompanied and reinforced by relying on imported technology, readymade goods and non-Arab institutional investment. These and other reasons pushed the state into the role of a revenue generating state in order to appease the public, while avoiding the deep socio-economic changes required to overcome historical weaknesses.

This led to the establishment of consumer societies and intermediary trade economies, thereby weakening the opportunities to turn into strong production economies.

The gap between the rich and poor has exacerbated in most of the Arab countries. Poverty pockets have widened, and the middle class has contracted. Figures and indicators reveal the intensification of this gap over time.

Excluding the oil producing countries, the Arab world in general suffers from a lack of productivity and competitive weakness.

Non-oil Arab countries also suffer from a complex external and internal financial deficit, accompanied by the rise of debt rates to worrying levels.

Today, unemployment is no longer a phenomenon that is exclusively present in labor force exporting countries. It has become an inherent feature in all the Arab countries, irrespective of their income levels. The reasons are varied; the immobility of the economy's development and the slowness of growth rates, the lack of connection between education, training and qualification on the one hand and production and

the labor market on the other, together with a rise in population growth rates which mean the younger age categories form the majority of the population, all play a role.

Unemployment is increasing, especially among young people in general and females in particular. Over the coming years, the countries of the Arab World are in need of more than 10,000 job opportunities a year, with investments of more than 250 billion dollars annually in order to meet the requirements of newcomers to the labor market. As a result the younger generation is endangered by loss, frustration and revolution unless the Arab World rises to collectively bear this shared responsibility.

Most Arab states will reach a key period of opportunity for the population by 2030. During this time categories within the labor demographic will constitute 70% of the total population. This phenomenon represents a challenge and an opportunity at the same time. Either Arab countries will succeed in developing production economies, or they will slip into unprecedented levels of unemployment and poverty, leading to a climate in which fear, pessimism, violence and radicalization prevail.

There is clear evidence that marginalized sectors of an economy, especially in villages and rural regions, are increasing in number and becoming a source of economic, political and social threat. Due to the unstable political conditions and the violence that prevails in the Arab arena, the number of migrants, uprooted and refugees inside and outside of their homeland has proliferated, with all the economic, social and human complications that accompany this miserable status.

Furthermore, lack of education in villages and rural regions as led to the deterioration of these regions both economically and socially. It has led to the swelling of cities, the hasty growth and expansion of arbitrary construction and unserviced quarters, and is supported by a rise in migration from these areas to larger cities. The cost of infrastructure, public services and the capability of local administrations to deliver services has been affected in several countries.

The modest level of governance in most Arab countries has led to clientism and intercession on behalf of personal allies, in addition to a marriage between authority and money. This has diminished state administration and weakened competition. Loyalty has transformed from working for the sake of society

toward loyalty to patronage networks. Public interest has merged with private interests, and this has increased corruption at all levels; in the state's institutions, the public sector, the private sector and civil society.

In the Arab World we also see the phenomenon of refraining from engagement in projects that entail elements of risk, in favour of public sector work that ensures job stability and a continuous guaranteed income, although such income is often low. This is accompanied by a 'brain drain' from the Arab World to larger economies, creating a vacuum of talent and making it more difficult to establish a strong base of scientists, experts and specialized technicians. The combination of public sector distortion and 'brain drain' has contributed to the redirection of human resources in most Arab countries away from optimum production status.

In non-oil producing countries the recession in productivity and competitiveness is compounded by a complicated external and internal financial deficit, accompanied by a rise in debt rates to worrying levels.

The Arab World is also experiencing a pronounced deficit in technological knowledge, with a large gap

separating it from the rest of the world's regions in the field of attracting and developing technology as well as incorporating it into the production process. The large expansion in communication and media technology has still left room for the development of Arab digital content. In other fields such as renewable energy, nano-technology, flight, food production, production of industrial materials and atomic energy, the Arab World is behind many other regions of the world.

Expenditure on research and development is still very low. The R&D spending that does exist is often directed to repetitive projects, as well as the hiring of foreign experts and feasibility studies, without reaching the critical mass of expenditure and research required to jump-start scientific discovery and economic transformation.

The problem of water forms a complicated cultural and human challenge facing all Arab countries. Many Arab countries are among the most waterpoor states in the world. In the past, as now, there have been escalating conflicts over the water resources of the Nile, Euphrates, Tigris and Jordan rivers. Common effort is required to set a regional Arab water strategy with clear dimensions and vision.

The water problem is intimately connected with the challenge of energy. The Arab World contains important underground sources of fossil energy represented mainly in oil and gas. The oil reserves in the Arab World exceed a percentage of 30% of the world's reserves. In addition, the separate gas reserves in the Arab World constitute about 22% of the world's natural gas reserves.

Many shared Arab institutions have lost much of their position as a result of performance recession and decline by members states over the past decades. At the same time, appreciation must be expressed to some financial and credit institutions, such as the Arab Fund for Economic and Social Development, the Arab Monetary Fund and the Islamic Bank for Development, all of which have retained their role and activity. There are other institutions, like the Arab Organization for Management and the Arab Organization for Culture, Science and Education which carry out intensive endeavors to reinforce the Arab Economy in spite of the difficult circumstances.

The need for new institutions in the fields of energy, water and environment is strongly felt. The redefinition of the role of the Economic and Social Council of the

Arab League as well as other institutions has become an urgent necessity.

The need for new institutions in the fields of energy, water and environment is still felt to be vital.

### **3. Necessitating Reasons**

The imperatives for setting out this Charter and publicizing it to officials, researchers, political powers and civil society organizations and citizens in the Arab World are represented in the following points:

**First:** The realization that we need to confront future challenges, after it has become clear that governments in every Arab country will not be able to face these challenges alone. A partnership with the private sector and civil society must be present to support the work of governments. This partnership must be based on the fundamentals of justice, equality of opportunity, good governance and impartiality. These shared challenges outweigh the power of any single country to face them alone. Somehow, an integrative framework with sister states is clearly required to necessitate the survival of the Arab World, and to guarantee its security, safety and progress.

**Second:** The wave of protests that has affected all Arab countries in different degrees over the years was mainly driven by the economic needs of almost every class of Arab citizen, in addition to accompanying calls for freedom and democracy.

**Third:** The necessity to build awareness in Arab administrations that advancing security and security systems above the needs of ordinary people, is a self-defeating pattern. If we do not consider individual needs and standards of living both security and the economy suffer. Consequently, there is a need to reset priorities and take social security into account by developing the economy and elevating living standards as a core component of security.

**Fourth:** The geopolitical position of an Arab World that includes Turkey, Iran and Israel is an issue that calls for a new model of Arab cooperation. Our geostrategic position, as well as our basic resources, such as oil and minerals, have made this region attractive to those looking for commodities and financial capital. We must avoid the repetition of lost opportunities that have taken place during times of war and peace, and ensure that our building is always focused on national wealth.

**Fifth:** Common Arab economic decisions must be reached that neutralize the twisting and turning of politics, and retain the stability and the durability of economic achievement above measures such as boycott, blockade, border closure, the freezing of roads and air traffic control, harmful competition and short-term politicking.

**Sixth:** The Arab World must avoid the risks of dealing separately with international organizations and regional blocs such as the World Trade Organization and the European Union. The signing of unilateral free trade agreements with third parties in this manner results in the weakening of the Arab negotiating position as a whole with these blocs.

**Seventh:** The recession witnessed by the Arab region continues according to international economic and social indicators; both in terms of comparison with international economies, transparency and impartiality, good governance and happiness indicators, as well as freedom of opinion and expression.

**Eighth:** For these reasons Arab politicians, parties and thinkers, especially those in the financial industries, are called to present new ideas and initiatives to their homelands and to the world. Necessity also requires

the creation of economic Arab institutions with an international perspective; such as the International Alms Fund, the recreation of the Pilgrimage Fund, a reinvigoration of the Endowment Institution as well as the use of Islamic moneychanging, to avoid western equivalents.

**Ninth:** There are more than twenty million refugees in the Arab World, uprooted and displaced inside their countries or outside, in neighboring countries. There is no Arab state that can be considered secure in the true meaning of the word. Today our equity in the world's share of disaster, war, terrorism and internal discord is higher than it has ever been.

**Tenth:** The technological development in the fields of communication, media and electronic networks has created a new Arab space in the Arabic language that requires the maximization of Arab digital content. Equally, the co-ordination of private sector institutions across Arab countries in addition to their diversity in many fields has created new opportunities to expand and deepen cooperation among these institutions, so that they become a partner in as well as a supporter of national economies. The private sector can play a key role in reinforcing the effort toward coherent internationalization of the economy.

**Eleventh:** The realization of Arab economic cooperation and the deepening of an Arab market will fortify this part of the world against economic and political exposure, and will decrease the need for military expenditure that has reached levels in some countries of up to fifty percent of the general budget, or twenty percent or more of Gross Domestic Product. A shift in expenditure patterns will result in greater balance, both between Arab countries and the outside world, between military and civilian spending, between consumption and saving, as well as between the present and a future we can invest in. Strategies for this kind of reinvestment are still absent.

**Twelfth:** The Arab World is surrounded by neighbors, and dealing with those neighbors required a ‘good neighbor’ policy. To avoid continual crisis and war, our relationships with each other must be more predictable whether we are talking about the southern desert in Africa, Iran or Turkey. Our mutual interests are longterm, and require entering Iran, Turkey and Africa into stable partnerships that support security, exchange and common interests on the basis of equality and equivalence.

*Chapter Two*  
*Renaissance of National State*



## *Chapter Two*

### **Renaissance of National State**

#### **4. The Initiative**

Because of the fact that the Arab countries together represent a system of economic and social failure, citizens began to express dissatisfaction and the rejection of this status through protests and regional movements. These movements represent a dangerous challenge to the pillars of the homeland.

We recognize the importance of economic strategies and programs that secure the basic needs of the people with equity and comprehensiveness. This involves;

- Studying attentively the challenges of the Arab future;
- Appreciating the economic opportunities which have been squandered and not appropriately exploited over the past fifty years;

- Endeavoring to bridge the gap between theoretical and deliverable policies, measures and projects;
- Understanding the positive and negative variables encountered by the common Arab individual in both economic and social fields;
- Working to build on successful international experiences and publizing those experiences in the correct way;
- Strategically perceiving structural weaknesses and getting rid of them;
- Acknowledging the pressing need for an evolution within existing Arab development models and common economic work which enables Arab countries to work collectively and neutralize as well as accept shared disadvantages;
- Endeavoring to transform the relationship between states of the Arab neighborhood from continuous tension and conflict into healthy cooperative economic relations based on equivalence;
- In this way, to prevent fear of the future and to offset socio-political violence and community breakdown;
- Prevent growing dissociation among states;
- Halt the spread of crime and corruption;

We are convinced that investment should take into account the relative advantages of resource rich Arab countries who are able to meet their own needs. The President and members of the Arab Thought Forum look forward to:

*“a time when every Arab state takes the initiative to set its own socio-economic strategy relying on scientific bases, accurate information and modern statistics, benefiting from experts and equivalent cooperation between development partners; where the public sector, the private sector, civil society, the third sector and academia work together to establish a national document that affirms a new commitment to a comprehensive economic, social and developmental rebirth.”*

## **5. Industrial Transformation**

Because manufacturing forms the backbone of any modern economy, the state should endeavor to develop and modernize its economy in the direction of industrial transformation, through the establishment of national industrialisation programs with the aim of creating an industrial society by the year 2030. In this way, the state can contribute to building a strong Arab economic bloc based on modern industrial economies.

This industrialization strategy embodies the creation of production projects for goods and services, as well as the maximization of scientific and technological input into these services in all sectors, to increase our range of value added products and increase the ability to transfer to a knowledge economy. This will positively reflect on the local product on the one hand, and on the competition of products and services on the international level on the other hand.

The state needs to make a commitment to building its human capital through direct investment and reform. All modern economies rely on knowledge transfer and all that it embodies in modern engineering and technology, in advanced transportation systems, as well as in augmented scientific and developmental skills combined with innovative and creative capabilities. The industrial transformation process of national economies does not depend on the availability of natural raw materials but on science, knowledge, experience, skill and innovation and the productive human powers of good management and investment.

## **6. Education**

Education represents the main pillar of any national program focused on the renaissance of the economy and the achievement of transformation. The state is committed to modernizing and developing the

education sector in different forms, patterns and levels. This includes developing institutions that can provide advanced knowledge transfer into the production and labor market.

The state needs to increase expenditure on the education sector, so that it can approach the expenditure level of rising countries over a period of ten years. Education is the most important gateway to building a pioneering national character, which is affiliated with stable institutions, a qualitatively improved labor force, and the formation of human wealth interacting with the latest developments in human civilization.

The state is committed to making the education system, from basic to higher education, develop with an openness to science, thought and philosophy. This involves the foundation of a scientific mind and life and specialization skills, including problem solving, qualifying youth for productive work and encouraging personal and collective projects in creativity, inventiveness and innovation.

The quantitative expansion of university education has led to a fall in standards of education, as well as a reduction in the economic and social revenue of educated citizens. We note with regret the insufficient qualification of school teachers and university

professors, and the increasing encouragement of youth to abandon professional and technical qualifications. A full revision of the education system to remedy these trends is needed. At the forefront of any changes must be the requalification of teachers and professors and conversion of learning centers at every level into positive environments, interacting with the economy, and aware of the future as well as the past. In this way the state can make educational institutions part of the supporting structure of the economy, ensuring appropriate work distribution in the required specializations.

Electronic networks and communications have made education trans-border and trans-continental, creating a new market with enormous potential. The state is committed to entering the education industry, including education networks, and exporting education through different means to encourage networking among education institutions at the national, Arab and international levels.

## **7. Language, Authoring and Translation**

The state understands that excelling in education and modern scientific and technological enquiry involves the availability of a scientific language capable of expression in all aspects of life; beginning with

thought, art and culture in all its forms and ending with scientific and natural facts and sophisticated technological systems. The state realizes that a language of science and technology interacting with modern innovations is one way to ensure the success of increasing efficiency and revenue. As a result, any economic renaissance must be accompanied by a renaissance of the Arabic language in all its aspects, in addition to an interest in nourishing foreign languages such as Kurdish and Amazighian. Language is not restricted to the elite. It is rather a means of communication and understanding as well as a means of knowledge transfer within the constituents of a society: scientists, workers, producers, farmers, engineers, technicians, politicians, artists,...etc.

In the Arab World we see barriers in the use of language in every aspect of the socioeconomic system. The failure to develop Arabic language, both in terms of its general usage and in employment, is estimated to cost billions of dollars in lost opportunities. The state realizes that the interaction of creative minds happens through language, as well as through the skill of implementation. Ideas cannot be achieved if there is a communication gap represented by language.

This makes the issue of authorship and translation a central element in our national economic project of

renaissance. Knowledge, thought, culture and science can only be conveyed through the cells of a society by writing, translation and publishing in different fields, at all levels.

The state realizes that the prevailing perspective in the Arab homeland does not place language on the ladder of economic priorities and is unaware of its economic and social effects, as well as burdens. For many politicians language is nothing more than a tool of nationality; a view point which the state will strive to correct.

## **8. The Woman**

Any economic renaissance requires a large labor force. Because women constitute one half of the society and are capable of contributing at every level of the production process, there can be no advanced society without a high participation rate of women in the labor force. The state is committed to the enablement of women and realizes that the contribution of women to all aspects of economic activity makes the difference between ‘subsistence’, which retains the society on the edge of contentedness and ‘wealth surplus’, which can be reinvested into new projects as an additional renewable driving force.

The state is committed to education, qualifying and training women to enable them to progress in all stages of economic development as an obligatory economic growth strategy, as well as a responsibility from an educational, ethical and human perspective. The modest participation rate of around 20% of women in the work force means the state must work harder to increase this average, by as much as twofold.

The state must be orientated to free women from artificial constraints and provide them with the chance to participate and compete unhindered by social complexities; this will help children be raised in a healthy and ethical environment that values time, work and production. The state also recognizes that the loss of developmental and progress opportunities, as well as opportunities to change the status quo and build a country, requires the contribution of every working hand.

## **9. Working Forces**

The state realizes that a workforce with qualitative and modern qualifications is the deciding factor in transforming national and Arab economies from a situation of dependence on imported goods and services, non-manufactured agriculture and trade in

foreign products to one of production, manufacturing and self-reliance.

The state is committed to reevaluating the qualifications of the workforce and transforming them from a traditional labor force posited on experience, to a modern technological labor force able to operate modern industrial and production systems, with good basic and technological training after or before highschool.

The state will place emphasis on life skills such as communication, reading, writing and information technology, as well as orientating workers towards principles of creativity and innovation.

The education and training of the workforce is a long, sophisticated and costly process, which is also of high economic and social value. It will play a role in allowing the public sector, private sector and academia to be cooperative with civil society institutions. The state will be better able to contract with large companies in the metal and chemical industries as well as in medicines, oil, energy and electronics. The state can also cooperate with Arab countries in the creation of advanced technological investment parks in fields of common interest or those of strategic importance, such

as energy, water, desertification, transportation and the raising of animals. The state can also incubate small and medium companies to create new leaderships, which in turn create training programs and enhance production.

A rise in knowledge levels leads to a rise in the capability of the work force and enables them at the same time to drive the production process; the state understands that any delay or hesitation in the industrialization process represents a squandering of capability on the one hand, and a loss of abundant wealth and opportunity on the other.

The state recognizes that the Arab countries at the individual and collective level enjoy a positive advantage, which is the possibility of benefitting from the labor surplus in some countries to compensate for the labor deficit in other countries, with no culture or language paradox. At the same time, the state will not export the work force as an alternative to unemployment or developing homegrown solutions in the industrial and production space. No country in the world can advance and progress culturally if it fails to carry its workforce with it, or if it fails to establish a manufacturing, agriculture and services base.

Futhermore, the rise in the percentage of youth in the Arab countries, which exceeds 22% of the population, makes it obligatory that the state builds economic rehabilitation programs that are capable of exponentially improving the production capacities of the homeland.

The state understands that the economic revenues of “expatriate workers” creates benefits at the level of individuals and families. These revenues play a role in crisis mitigation. Yet the impact of these revenues on a project of renaissance is limited, unless they are directly related to forms of modern production.

## **10. Scientific Research and Technological Development**

Modern economies are knowledge economies which are scientific, technological and innovative in the first degree. The state realizes that it is not possible for a national economy and Arab economies to change so that the value added of their products develops, unless scientific and technological input forms the backbone for all forms of production; from industry to agriculture, from transportation to tourism, from water to energy. This requires Arab states to endeavor to achieve the following:

**First:** Pointing the basic, vocational and technological education curriculum towards a production market, thus bridging the gap between education and production.

**Second:** Bridging the gap between the academia and the socio economic sectors.

**Third:** Directing scientific research to solve the problems faced by these sectors.

**Fourth:** Perceiving technological development as being, economically, socially, historically and in human terms no less important than theoretical scientific research. The state will encourage all academic staff not to plunge into theoretical research of limited relevance and benefit, as our society suffers from the a lack of technology and practical knowledge in so many sectors.

**Fifth:** We must increase expenditure on technological research and development and innovation to the right levels, in order to reach (2%) of the domestic local product by 2030.

**Sixth:** We must endeavor to reach a critical mass of researchers, scientists and technologists

who are scattered around the world, and to improve interdisciplinary studies between departments within the same countries and universities. Without this breakthroughs in different fields will be limited. The Arab countries can, through bilateral and multilateral agreements, as well as through joint scientific research and technological development centers, bilaterally and multilaterally, combine financial expenditure and resources to maximize results on the basis that many Arab problems are similar.

**Seventh:** Creating long-term programs in cooperation with the private sector, the state and academia to embed technology solutions in Arab states and in the Arab region, including the establishment of specialized technological centers, as well as horizontal and vertical expansion in industrial transformation, a greater number of science and technology entities, better controls for importing goods and services, as well as spreading creativity and rehabilitation of the workforce.

## **11. Pioneering**

The state realizes that it is not possible for a national economy to generate sustainable dynamism from within without a spirit, culture or mentality of innovation

existing at the center of a system for youth and society in general. Continuous growth, the efficient employment of skills and value added products as well as success in establishing institutions can only be achieved through new projects carried out by pioneers in the youth segment, which are converted over the years into larger enterprises which will generate hundreds of job opportunities, as well as new structures in the economy and in society. The idea of ‘pioneering’ is meant in the widest sense, including economic, cultural, scientific, political and artistic innovation. The state is aware that our failure has not been simply economic, but institutional and spread across different fields, and can only be changed by enhancing society’s powers to establish various institutions beginning with political structures and ending with art museums and initiatives created by youth, the elderly and women.

The state will work to make a pioneering mentality an essential part of the educational and cultural process across educational stages. The aim should be to help youth to discover a way to employ science, skill and other capabilities in their own projects and realize their dream by converting their ideas and ambitions into factual realities, creating projects which overcome competitive and social barriers in new sectors.

The state realizes that this new mindset represents a key entrypoint to individual, institutional and national wealth, to build institutions and develop social activities. Education, media, culture and the state must perform a leading role in reinforcing dynamism, and creating a pioneer society in the true meaning of the word.

## **12. Youth**

The state realizes that youth at the work age form approximately 22% of the population, or 220 thousand individuals per million of the population. This remains a double edged sword; creating success in creating new job opportunities for these large numbers of people and paving the way in front of them to realize their ambitions through industrializing economic sectors and establishing production projects; or failure, accompanied by a sense of despair and rebellion.

As such, the state will work to provide sufficient partnerships and the investment programs necessary for each job opportunity, at the same time as supporting intensive efforts to match the education and ambition of youth with the needs of the production and labor market.

The state realizes that projects in rural areas, on mountains, in villages; the construction of new water sites, land reclamation and the mechanization of agriculture, all require the contribution and capability of youth. The state must place these projects at the top of its priorities, so that youth becomes associated with them in an early phase, emphasizing the state's commitment to extended programs of training and rehabilitation as well as the acquisition of scientific skills, combined with industrialization and modernization.

The state will work to open job opportunities for youth through different projects and extended industrialization programs, in order to reverse the brain drain and limit human capital depletion. Migration and expatriation solve the problem of unemployment and reduce pressure on the labor market, yet also represent a loss of experience and the squandering of capability that can never be compensated for, even by the hiring of expatriates in the shortterm.

### **13. Creativity**

Because to innovate is to often to take a risk, the state is committed to reinforcing the financial and human investment in the transformation of creativity from scattered accidental individual cases to a genuine

societal and institutional phenomenon. It will work to facilitate financing creative projects, thereby responding to the results of research and studies which reveal the importance of training youth in the different stages of vocational, technological, and academic elements of creativity and problem solving. An estimated 80% of invention, innovation and creativity skills are acquired by the individual through learning, especially in the stages of basic and secondary education, as well as specialization skills in the stage of higher education.

Since creativity has become a component for competition and survival, and the concept of creativity has become coupled with elements of scientific research, development and innovation, the state will engender ways to make this issue an essential part of the systems of national cultivation and education, especially in the areas of practical experience. This will reinforce a wider capability to compete in international markets.

#### **14. Energy, Water and Environment**

The state believes that the alliance of energy, technology, water and the environment plays a central role in the progression and survival of modern societies, in addition to the progress and industrialization of

contemporary economies. As over 85% of national lands are dry lands with high temperatures, and their suitability for high productivity, persistent work and advanced agricultural and industrial production is governed by difficult limiting factors, the state will attempt to overcome these limiting factors with all its capabilities. This requires large amounts of water as well as large amounts of energy to process the sea water. Because all Arab countries are in need of new water sources, the state will work individually and in cooperation with Arab countries to expand desalinisation of sea waters and other salty waters.

The state also recognizes that developing new and economical energy sources is a vital issue. The required energy in the Arab region amounts to nearly three times that found in other countries with moderate temperatures and abundant water, in order to achieve the same level of civilization. Energy is required for industrialization, water and to condition the environment and make it more suitable for continuous work and building.

The state will work individually and in cooperation with other Arab countries to create actual research, development and innovation centers in energy, water and the environment, including centers of alternative

energy technology, comprising solar energy, wind energy, geothermal energy, nuclear energy and other forms. We must also invest in bilateral, trilateral, quadrilateral and joint Arab projects between countries.

The state understands that it is necessary and preferred that in such a case neighboring countries cooperate together, because their problems are similar; no single country possesses the critical mass of human or natural capital, while large regional projects are often subjected to complicated international and regional political considerations.

Since solar and wind energy technology is applicable in all Arab countries, the state will endeavor to create industries to produce solar photocells and expand research, development, innovation and invention in these technologies, considering this as the beginning of a new age in the Arab region without ignoring other energy sources, irrespective of their modest contribution. The energy policy of each country must consider the advantages of that country. Nuclear energy requires deliberate technological and scientific preparation no undue haste. In the coming decades, nuclear fusion technology might become available, but hasty jumping to nuclear energy in the current phase could be associated with complexities that should not be ignored.

The state sees that the topography of Arab geography requires special care because of the wearing away of available important resources such as water, vegetation and soil, as well as the escalation in desertification, causing a reduction in gross product by percentages approaching 2% annually. The state also realizes that inhabited areas around narrow coastal strips, as well as around seas and rivers, are rare and are vanishing. As a result the state will work to confront climate change through developing the environment and creating large engineering innovation projects comprising of internal lakes in the middle of countries; in addition to projects to transport sea water to lower locations, in order to alleviate the hardness of the deserts and develop a new environment.

The state sees that the range of technological capabilities now available make confronting climate change more possible than ever in the past. The state is committed to perseverance in the face of the severity of environment and geography, and will strive to achieve this change. It will establish partnerships with scientific, academic, engineering and technological institutions and encourage them to establish faculties which are specialized in the technology of energy in all its different branches. It will also work with other faculties specialized in the environment, in order

to achieve generational change in advanced applied technological research and provide support for the creation and operation of first rate national industries, as well as connected Arab regional industries, as a convenient channel for knowledge export.

## **15. Transportation**

Since the transportation sector consumes a portion of about 40% of the total energy consumption in most Arab countries, or nearly 300 million dollars per million of the population, in addition to 25% as a cost of minerals, roads and accidents, the state realizes that the economic and social value of this sector is extremely important. These huge costs are attributed to a reliance on individual transportation to a large degree, in addition to the cost of vehicles, roads, carbon emissions and city planning among other factors. Therefore, the state will work to construct, reinforce and develop modern transportation systems relying on railway networks, so that all the Arab countries are networked, reducing transportation costs, so that the saving in this sector alone amounts annually to more than one hundred million dollars per one million of the population.

In addition, such a transformation will open the door wide to many production projects at the national and joint Arab levels, headed up by railway and car industries and the industries affiliated with them. The state will select the appropriate field to specialize in, in coordination with the Arab countries. These industries will open up job opportunities to hundreds of thousands of workers, engineers and technicians.

The state sees that the industrialization of transportation in addition to the sectors of energy, environment and water when achieved in a creative manner in the Arab countries at the individual, bilateral and multilateral levels, is capable of causing first class economical, social, environmental, geographical and agricultural transformations. The state realizes that this requires vision and determination, and some degree of innovative genius to take place.

The state realizes that railway networks and transportation and industrialization in general, as well as regular sea lines, represent the main pathway to national industrial transformation. This essential infrastructure can develop trade between Arab countries and pave the way for the export and import of national

products, from the Arab Gulf in the east to the Atlantic Ocean in the west and from the farthest north to the farthest south, to help transport products across the world.

Since an essential part of the goods exchanged between Arab countries consists of oil and gas, the state realizes that the construction of oil and gas pipeline networks represents an essential pillar of the development of the transportation and energy sectors. These networks at the national level will be part of the national transportation industrialization program, and an entrance to optimum economic feasibility, as well as the preservation of the environment and the prevention of polluting local atmospheres with millions of tonnes of carbon dioxide, sulphur dioxide and other pollutants.

## **16. Infrastructure**

The state realizes that the way to renaissance requires the development of national and Arab infrastructure in all aspects.

At the top of the list come roads and sea paths, as well as railway networks, oil and gas pipelines, electricity and communication networks, shipping lines and domestic and international roads.

The state will work to extend the national infrastructure from the capital to large cities and rural areas, peripherals, and developmental areas, so that that largest possible area of the homeland can be inhabited, with investors attracted and projects established in remote governorates and hinterland areas. The state will work to make these areas attractive to youth and other citizens to work and live in, as a way to correct population distribution and migration from the hinterlands to larger cities in search of employment.

The state realizes that removing social injustice and minimizing differences in quality of life between capital cities and rural areas over a period of twenty five years requires the reinforcement and modernization of infrastructure, so that it is possible to establish projects in any location in the country.

The state also realizes the importance of cooperation with other Arab countries in developing administrative infrastructure, so that the issue of investment and trade as well as social and cultural activities with other Arab countries becomes more attractive.

## **17. Societal Mobility**

The state realizes that the development of solid infrastructure (roads, networks, transportation) as well as soft infrastructure represents an entrance point to increase social mobility inside its own borders and among different Arab countries. The weakness of these mechanisms and tools as well as a lack of operational infrastructure systems will weaken the social mobility of all elements of the population, especially youth, and negatively affect Arab tourism, trade and agriculture.

The state realizes that the development of solid infrastructure (roads, networks, transportation,... etc.) as well as soft infrastructure represents the main entrance to increase societal mobility inside its own borders and among different Arab countries; and lack or weakness of these mechanisms and tools as well as of infrastructure operation systems will weaken the societal mobility of investors, industrialists, pioneers and the youth, which will negatively affect local and Arab tourism, industry, trade and agriculture as well as the development of trained labor force.

The state realizes that facilitated mobility will reduce pressure on cities and prevent the desertion of

rural areas. It will break down barriers between Arab countries and help in the formation of an Arab economic bloc with strong common social and cultural roots. The state is aware that national tourism, Arab tourism and foreign tourism form an effective pillar in both national and Arab economies, and that the reinforcement of societal mobility is the gateway to a much larger domestic tourism market. The state will therefore work to reduce scientific and cultural gaps in villages and increase society's fusion in the homeland as well as in regard to other Arab states.

## **18. Inter – Trade**

The state appreciates that the natural result of industrialization is the production of high quality goods and services, capable of competing at the national, regional and international levels for consumption and export, in order to contribute to the building of national and individual wealth. Consequently, the state is committed to trade facilitation as the main pillar in the success of the industrialization and production process.

The state realizes that the growth of inter Arab trade will open the door to new large? projects, elements of which will be produced in more than a single country or

in more than one factory. This will help solve problems faced by all Arab countries such as unemployment, brain migration and unemployment among university graduates.

The state sees that trade of services is of special importance because of the contrast existing among Arab countries, which gives one country the opportunity to export its services into another country. In addition, creativity, innovation and competition open horizons for the trading of services, including studies, consultations, engineering designs, education, training in different services, and the provision of sector services like tourism and medical treatment. Since scientific and technological developments has enabled electronic trade to become a pillar of national, regional and international trade, the state will work to develop skills in these sectors of production and trade to build an electronic trade database as well as a system of electronic finance in its different components. It will work to encourage trade and industry chambers to create a “national electronic trade center”, for the purposes of training, rehabilitation, service provision and the development of electronic products themselves.

It will also help in the establishment of an Arab center for electronic trade to become an efficient tool in presenting necessary solutions to problems pertinent to electronic trade, in terms of form, language, payment systems, operation guarantees, performance or other aspects.

## **19. Agriculture and Food**

The state takes very seriously the danger of the increase in the national and Arab food deficit year after year, until it reached nearly a hundred dollars *per capita* annually with the result that there is not one Arab country which does not suffer from a food deficit in a number of basic foods! Clearly, food production is one of the main pillars of stability as well as societal, human and political security.

In order to achieve national food security, the state will work to restore interest in food production in all lands; considering this a national and an Arab necessity, since there can be no cultivation of the natural environment without agriculture.

The state realizes that industrialization, science, technology, scientific research and creativity perform central roles in this field. Modern agriculture can

change Arab economies; it is an agriculture based on industrial equipment and machinery, in which scientific and technological techniques are maximized in order to increase production, raise productivity and increase the value of agricultural products, from manufacturing to post-production.

Because the Arab region is generally characterized by high temperatures and drought and is subject to the worst effects of ongoing climate change, the state will endeavor to establish research centers specializing in developing plant and animal breeds. New ways of offsetting the desertification process will need to be found, to establish a new environmental process that serves future generations.

The state will work to escape the narrow vision pertinent to agriculture as a sector which has only a modest relative contribution to gross domestic product, and to make agriculture regain its vital role and importance to civilization as a national, economic, social and strategic priority which cannot be ignored.

The state will look at food production as a pillar of the national social security system. State policy in food production, following stable national strategies, will offer the chance to control the direct fluctuation

of food prices in the international market. The state realizes that agriculture and food form a main pillar of societal security, state stability and family formation.

The state also realizes the role played by modern agriculture in generating new job opportunities, and in increasing the demand on industries which support the national and Arab economy, and reinforce the national and Arab renaissance.

## **20. Health**

Since education, security, food, health and medicines are among the basic rights of the citizen, the state will work to make these basic elements available. It will raise expenditure on individual and social health to between 5-7% of Gross Domestic Product to become nearly equal to the world's average. With the progress of medicine, science and technology, the cost of health and medication is increasing and can only be met through a strong economy and a productive population base.

On the other hand, the medical industry is one of the most advanced industries in the world and requires a large research, technology and innovation infrastructure. The state must support all such efforts

towards the creation of these entities in the Arab World, as well as to reinforce research and development centers and participate in joint Arab projects or integration projects of large economic and technological size.

Because the average size of the Arab medical deficit amounts to nearly 50 US dollars *per capita* against one US dollar *per capita* of medical equipment and tools, added to a low level of health in villages and rural areas; the state realizes the size of the challenges in this sector, as well as the economic and human opportunities.

It is expected that changes in climate will transmit new diseases and usher in new health requirements, both for animals and plantlife. The state will establish policies and programs to help in confronting this problem. These will encompass bilateral and multilateral Arab cooperation to preserve the human being and the environment from harm.

*Chapter Three*  
*Common Arab Economic Renaissance*



## *Chapter Three*

### **Common Arab Economic Renaissance**

#### **21. Main Approaches**

The Arab countries realize the importance of reform of common Arab institutions and their qualitative councils, particularly the Arab Economic Social Council, together with a policy of approaching regional strategies from a point of commonalities rather than differences, in addition to furthering cooperation at all times. Arab countries expect the Council to assume this role in close cooperation with the Arab Fund for Economic and Social Development, the Arab Monetary Fund and the Islamic Bank for Development, with the assistance of specialized experts from various think tanks and countries.

Furthermore, the Arab countries endeavor to develop the machinery of a common Arab workforce, governed by legislation, bank and financial institutions, customs, movement of human capital and information

technology; this must be based on broad guidelines for investment and return in the Arab World, in addition to giving Arab investments an advantage over other investments and organizing this effort within an institutional framework.

Arab countries working to adopt a strategy that takes into account the problems of water, energy, technology and environment must use imaginative thinking to secure our rights in/to disputed resources and facilitate the task of dealing with water across borders. Arab countries must also create modes of cooperation in the areas of alternative, nuclear and renewable energy, lending life to projects pertinent to environmental preservation and soil maintenance, preventing salinity of groundwater, conserving forests and desertification, as well as adopting acceptable criteria and standards for different pollution rates in the water, air and soil.

Each Arab country will work to determine a clear approach for land use, creating different usage brackets and providing investors with updated information in this context.

Arab countries need to also emphasize the publishing of continuous ‘open-data’ reports about the Arab World, such as the human development report, as well as new kinds of reports on social capital, indicators of political transparency and impartiality, in addition to the investment environment and competitiveness.

Arab states also should prepare an ‘Arab Atlas’ of common projects which is renewed annually, especially in the field of networks; being those of communication, roads, railways, water pipes, oil and gas pipelines or electricity, revealing existing networks and those required to reinforce future socioeconomic security.

Moreover, Arab states call for the implementation of the Islamic Summit Conference decision pertinent to the establishment of an Arab alms fund as an introductory step in establishing an international alms fund, in order to meet the needs of the people, especially the homeless, refugees, the uprooted and the poor. Combined with this is encouragement by Arab states in establishing funds for pilgrimage, which can also benefit from the endowment institutions which are full of tremendous uninvested wealth.

Arab states must work to get out of a revenue based economy, that is driving citizens into over

reliance on the state for employment, at the same time as limiting possibilities to raise tax revenue. We must work to achieve a modern production economy, through entrepreneurship, business, private investment, collective projects and joint ventures, as well as supporting individual and collective initiatives to create new job opportunities.

Arab countries will study the phenomenon of the black market economy in all our countries, which has reached more than 50% of Gross Domestic Product in one of our neighbors.

Arab countries are committed to a gradual increase of expenditure on scientific research, technological development and innovation to reach a percentage of 1.5% of the Gross Domestic Product by the year 2025, as well as to renew the basic elements of scientific research and link it to a modern production process, scientific needs, practical scientific promotion, and a strong talent base of engineers, researchers, developers and innovation across industries.

Arab countries will also work to create a plan to make at least five Arab universities among the highest ranking 200 universities in the world, during the ten coming years.

Arab countries will work to adopt advanced systems in vocational and technological training, as well as to extend and deepen trained groups connected to production facilities, especially in those countries with a human surplus.

Arab countries realize the importance of managing military expenditure and controlling it within the limits of a gradually phased reduction plan, as well as replacing quantity with quality in our armies and our military industries. Arab countries will begin conscription so that it becomes a national service to train young men and women equipped with various skills, including discipline in work and self-denial in serving the homeland.

Arab countries will work to establish an investment bank in each Arab country and associate these banks with a united network within the framework of the Arab Fund for Economic and Social Development. The task of the bank will be to cooperate with the government in following monitoring the investment institutions and supporting them, as well as providing credits and loans through financing and investment in these countries, especially in regard to small and medium enterprises. These banks will be able to accept deposits and issue bonds to finance the process.

A common element of the new economy will be to prepare an Arab report on international economic issues, such as the objectives of this millennium and the methods of developing the mechanisms to execute and achieve them. This will involve pointing out the Arab status pertinent to the achievement of these objectives, in addition to presenting Arab recommendations to the United Nations and its institutions.

Arab countries realize the importance of Arab labor in the development process. They will work to establish and monitor common mechanisms to increase the importance of Arab labor in the development process, achieving the best common results for hosting countries and labor exporting countries.

Arab countries will develop an Arab plan to reinforce strong cooperation with neighbouring countries and international groups, in particular African countries. This will involve uniting several programs under one umbrella, as well as involving the private and public sector, and academia, in this effort.

Arab countries will also progress in building the WANA (West Asia and North Africa) project in cooperation with ESCWA, confirming the independent geographic identity of what is sometimes called the

Middle East and sometimes MEWA (Middle East West Asia), as well as adopting the name “WANA” for our region at the levels of the UN and the wider international community.

As a result of the inseparability between poverty on the one hand, and crime and extremism on the other hand, each Arab country is committed to establishing an applicable national strategy aimed at ending absolute poverty, illiteracy and recession, adopting programs which will achieve their aims by the year 2025.

Arab countries will work to strengthen the sovereignty of law, transparency, accountability, as well as equality in the rights and duties of citizenship among all citizens, as a central consideration. They will also work to act against crimes which have dangerous social effects. Arab countries must work together to combat crimes which are becoming more widespread in the region, particularly those trading in drugs, human organs, children and women, as well as common theft.

## **22. Partnerships, Not Patronage**

There is agreement among the Arab countries that transforming the region into a modern industrial knowledge economy does require a new vision of Arab cooperation and a common Arab workforce.

The disparity of wealth in all Arab countries has in the past created a persistent search for economic aid, outside assistance and rescue during crisis situations, often for long periods of time. Today, all Arab countries realize that patronage and economic aid cannot build economies which are modern or knowledge based. No country with a rising economy has ever relied on economic aid alone, but on partnership between those who control the money or technology and those who create and establish new industries.

Each state will reinforce and encourage fair partnership in projects that generate new job opportunities, reduce unemployment and create a new economic awareness which goes beyond a generational cycle of dependency on aid, which is spent on urgent expenditure and budget deficits.

Arab countries realize that partnerships at the national, bilateral and multilateral Arab level open limitless horizons, beginning with land reclamation and infrastructure construction, through to large projects in water, energy, the environment and advanced information and nanotechnology projects.

The Arab region will be an expansive market with a diversity of products. The nature of the region, the diversity of its systems as well as globalization of trade and investment, in addition to the nature of competition from industrial countries, means that we require Arab states at the binary and collective level to work to develop the investment environment to make it more attractive and more stable, especially in regard to production projects. This of course requires the creation of investment programs, appropriate laws, and giving Arab investors an advantage when needed, as has already been discussed.

Arab countries realize that partnerships between states and investors perform an important role in reinforcing the structure of a national economy. The Arab state will work to overcome the problem of a lack of wealth required to establish medium and larger social entrepreneurship projects. Here capital from the ‘third sector’, including collecting capital from the largest number of small investors, could be an intelligent way to share equity and fund innovation. Here, the state could also help perform the role of bridging a money deficit for specific time periods. Transparency, accountability and refraining from politicizing economic projects and turning their administrations into political tools in the hands of the state, are the keys to success

## **23. Arab Economic Bloc**

The Arab countries appreciate that the current historical era is one of economic blocs. Most regions have arranged themselves into special blocs which support the power of each member in a bloc, opening new horizons for cooperation, partnership, trade and investment and maximizing the value added nature of projects within the bloc, providing economic innovation with the necessary human capital and knowledge to be successful.

Unlike many regions of the world, the Arab region, both through road, sea and air, language and culture, has much in common. Despite disparity of wealth and historical grudges, there are opportunities available to be exploited; we should promote the establishment of an Arab economic bloc consisting of 22 states. This is a feasible and possible plan. The seeds and fundamentals of this bloc are already apparent in the presence of the Arab Economic Council and Common Arab Market, as well as the numerous Arab agreements in many fields. The Arab region lacks political and scientific awareness. The power of this region can only be realized by its people. It does not matter if an individual Arab country is rich in natural resources, land, labor and creativity or poor in all of these elements; its ability to continue alone will increase in difficulty, day by day.

Arab countries realize that a cohesive economic bloc will raise the efficiency and feasibility of common infrastructure, promote trade between members of the bloc and encourage the transfer of capital and the movement of trained labor. A single economic bloc will also offer better opportunities to execute projects which enhance the environmental ecosystem around us. Common networks can also play a vital role in stabilizing price and production costs. Electrical, railway, communication, oil and gas pipeline, road and electronic networks will play a vital role in the stability of commodities and will rapidly enhance productivity.

The bloc will reinforce the feasibility of establishing large industries and banks for specialized development, including industrial, agricultural and environmental development and smart venture projects.

Arab countries know that this desired Arab economic bloc will require a lot of effort, especially given the instability and change witnessed in the region. As the European Union started with two main materials; coal and steel, the Arab region can build an economic renaissance beginning with water, energy and the environment. The bloc can start with a small group to expand into a flexible system which realizes that continuity lies in attracting others, rather than remaining separate.

## **24. Conclusion**

The Arab countries are convinced and confident that building up a national economy is the corner stone and future for each Arab country, in addition to building an Arab economic bloc which will turn the region into an actual partner in human progress and material production.

The Arab countries realize that an economic renaissance can only be based on the efforts of people as a whole, and it can only be achieved through society participating which believes in its role and is confident in the impartiality of its management as well as good governance, transparency, honest and responsibility. As a result, Arab countries will work to provide the tools to reinforce societal participation, not only in implementation, but also in decision making in at all the pertinent stages, so that the future of the region can flourish in a way unimaginable at present.