

Exploring The Future of The Arab Nation

A critical review of the prospective
study carried out by the Centre
for Arab Unity Studies

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Abstract

استشراف مستقبل الأمة العربية

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تستعرض الدراسة واحداً من المشاريع البحثية الكبرى في مجال الدراسات المستقبلية للعالم العربي، وهو استشراف مستقبل الأمة العربية، الذي أجراه مركز دراسات الوحدة العربية ونشره في سنة ١٩٨٨. ويشمل الاستعراض أهداف ذلك المشروع وخطته وإطاره النظري ومنهجه والسيناريوهات البديلة التي تناولها والنتائج الرئيسية التي توصل إليها. وتم تكريس اهتمام خاص لمنهجية ذلك المشروع وإطاره النظري. كما جرى فحص مدقق لافتراضات السيناريوهات الثلاثة التي تعرض لها المشروع ونتائجها. وتخلص الدراسة الى تقييم شامل لإنجازات هذا العمل الرائد وللقبوض التي واجهها.

1. Origins and Objectives:

The idea of undertaking a study of the alternative future options facing the Arab nation originated in the Centre for Arab Unity Studies (CAUS) in 1980. It took the

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CAUS almost five years to get the project to a good start. Between 1980 and 1985 several attempts were made to formulate a sound project document and to identify work teams. The length of the preparatory stage is in itself indicative of the formidable difficulties of planning and carrying out large-scale research projects of a multidisciplinary nature such as the project reviewed in this paper. The agonising experience of implementing the project confirmed most of the problems anticipated a priori, and revealed several new ones, particularly problems of coordination and interaction among researchers from different disciplines. The fact that the project was completed in spite of those difficulties must have been immensely gratifying to the CAUS and the work teams. It should also help dispel some of the skepticism about the feasibility, and hence the utility, of carrying out futuristic studies in the Arab world.

As explained in the project's final report entitled: *The Future of the Arab Nation: Challenges and Options*⁽¹⁾ (CAUS, Beirut, 1988; henceforth referred to, for short, as FAN), the CAUS project has a multitude of objectives. They include: (see FAN, pp.18-21).

(i) identification of future paths/options for the Arab nation up to the year 2015, and calculation of the benefits and costs associated with each path.

(ii) formulating an Arab methodology for studying the future, given the prior dissatisfaction of the project leaders with the methodologies used for similar purposes in the Western advanced countries.

(iii) constructing the data or information base necessary for undertaking futuristic as well as many other studies, which is so much missed at present and whose availability could contribute substantially to scientific progress in the Arab world.

(iv) institutionalizing team-work traditions and procedures in the Arab world, which are urgently required for the implementation of large-scale, multidisciplinary research projects, and for upgrading scientific research standards.

(v) arousing interest concerning matters of the future among Arab thinkers, policymakers, professionals and the public at large and encouraging further research and debate on such matters.

(vi) Providing building-blocks for the all-Arab rejuvenation or renaissance project which has been the subject of much controversy, but is still highly elusive.

2. Inputs and Outputs:

The project's activities were organized around three main axes. (see: FAN, pp.82-85). The first axis deals with **Arab society and state**, i.e. the system and peo-

(1) The authors are: Kheireddin Haseeb, Saad eddin Ibrahim, Ibrahim Saadeddin, Ali Nassar and Ali eddin Hilal.

ple whose future is investigated as well as social and political relations within the system. The second axis deals with the material determinants and goals of the system, namely the productive base of the system and the development of its capacity for fulfilling the people's basic needs. Hence, it is called the **Arab development axis**. Since the development of society and state, and the course of material progress are governed not only by internal forces but also by external forces, a third axis was devoted to the study of the global context in which Arabs live. It was called the **Arabs and the World axis**.

Several in-depth studies were carried out within each axis with the object of working out the details of each one of the three **scenarios** previously delineated in the planning phase of the project. Each scenario is supposed to represent a certain path which the Arab nation may follow in the future (up to 2015). Clearly, the possible future paths may vary depending on one's conception of the future and its crucial determinants. As is well-known the issue of Arab unity is the major concern of the CAUS. The assumption underlying the totality of its activities is that the lack of unity, or coordination and joint action, among Arab countries explains the Arab world's deficient performance nationally and poor standing internationally. Hence, it was not at all surprising that the CAUS project choose the scenarios depicting the future of the Arab World from the viewpoint of inter-Arab relations. Such relations may stay as they are at present, or get reinforced through one form or other of collaborative action, or undergo drastic transformation leading to a unified Arab state. Therefore, three scenarios were initially identified, namely: (see FAN, pp.85-88).

(i) **The fragmentation scenario**. This represents a base-line or trend scenarios involving continuation of the existing pattern of independent nation-states with isolated national policies in the economic, social and political spheres. These policies are assumed to be of the same type that has led to the present state of regression.

(ii) **The coordination scenario**. It deviates from the base-line scenario by allowing some forms of cooperative action to take place among Arab states. Such cooperation may take the form of coordination of actions of all Arab states with respect to a certain sector, industry, or issue. Or, cooperation may alternatively emerge through the formation of regional groupings among a number of Arab states. Policies pursued in either branch of this scenario are postulated to be of the reformist type.

(iii) **The Arab unity scenario**. The scenario illustrates a situation of full unity, in which Arab nation-states turn into member states in a federal republic with common foreign policy, a single army, a single currency, and a federal budget, etc. The policies characteristic of this scenario are assumed to uphold the principles of participatory democracy, national independence, self-reliant development, and the like.

The numerous building-blocks furnished by the three axes for each scenario need

not be consistent with each other right from the beginning, since the perspectives of the different axes may not exactly coincide with one another. Therefore, a coordinating mechanism or framework is needed to combine the different building blocks of each scenario in an orderly fashion. Such mechanism is provided by a **simulation model** (see: FAN, pp.91-95). The model used in the project incorporates both quantitative and qualitative formulations of the various interactions among the variables in each scenario⁽²⁾. More on this will be said later on in section (3) which focusses on the project methodology.

Other inputs for the project include the information required for the work of the three axes and the model, the qualified personnel required for staffing and leading the work teams, and the fuel needed for operating the total apparatus of the project, i.e. finance.

Given the comprehensive nature of the project (both in terms of subject-matter and country coverage) and the fragile and poor stock of data in Arab countries, it can be imagined that supplying the project with its data needs must have been one of the project's most arduous and frustrating tasks. It must have been equally strenuous to harmonize the data collected from different sources for different time periods, and to fill in the gaps typically found in Arab statistics. It is regrettable that the rich experience of the project with the numerous kinds of information utilized (or found useless) by its working teams is not documented.

The project was managed by a core group of distinguished scholars: Dr. Ibrahim Saad Eddin (coordinator of the Arab development axis), Dr. Saad Eddin Ibrahim (coordinator of the society and state axis), Dr. Ali Eddin Hilal (coordinator of the Arabs and the World axis), and Dr. Ali Nassar (coordinator of the modelling activities). The core group was headed by Dr. Kheir Eddin Haseeb, Director of CAUS and principal investigator of the project. The working teams enlisted the efforts of well over 50 senior and junior researchers, of which some worked on a full-time basis. A large number of Arab thinkers and scholars were consulted on several occasions during the life-time of the project, including the planning phase, through meetings, interviews, questionnaires and a conference.

As regards the final, but most crucial input, namely finance, the project was funded principally by the Arab Fund for Economic and Social Development. Other

(2) The model is only very briefly described in FAN; pp.79-81, p.82, pp.91-95 & p.549. Though the original plan involved publishing a separate volume on the model, this part of the plan is as yet unfulfilled. However, the author of this paper was a member of a small group of experts which had the opportunity to discuss with the model designer and operator, Dr. Ali Nassar, various aspects of the modelling activity. The meeting took place at the CAUS office in Cairo during the period 7-10 October 1987, and a brief report on its deliberations was prepared by Dr. M. El-Imam and presented to the Conference on the findings of the project held during the period 17-20 October 1987, in Tunis, Tunisia. Most comments on the model in this paper originated in the Cairo expert group meeting.

funding agencies included the Arab Monetary Fund, OAPEC, and the Iraqi Fund for External Development.

The major outputs of the project are four volumes already published by CAUS. They include the final report, FAN, referred to earlier which is also the basic source for the present paper, and a volume reporting the analyses and findings of each of the three axes of the project. Seven of the intermediate studies performed for the «Society and State», and the «Arabs and the World» axes were also published. Furthermore, CAUS planned to publish a handbook expounding the project's findings to non-specialized Arab readers, as part of its mandate to improve awareness among Arab citizens of the need for Arab unity.

3. Methodological Approach:

The methodology adopted by the CAUS project consists in drawing up alternative **scenarios** according to the criterion explained earlier, and using a **simulation model** to insure internal consistency for each scenario. This methodological approach to the future is described in FAN as a method of prospective analysis. The object of this kind of analysis is neither to produce prophecies nor to generate long-range plans. For the former postulates that the course of future events is completely predetermined, and the latter presupposes the political will and capacity for conscious interference into economic and social affairs. Further, simple projection of the past into the future, e.g. via statistical or econometric forecasting is ruled out. According to FAN, these approaches assume that the systems under investigation are stable. Moreover, analysis by such methods is restricted to quantitative or quantifiable phenomena and requires the availability of fairly solid data. (See FAN, pp.74-77).

Having ruled out such objectives, FAN (p.77) defines the objective of prospective analysis as the formation a set of **conditional forecasts** (also called **scenarios** of the future), based on assumptions expressing either the most probable or the desirable course of events. Such conditional forecasts are obtained by using a mixture of quantitative, intuitive, normative and exploratory methods. These methods are clearly not compatible with the strict assumptions of econometric simultaneous equations models. The natural alternative was therefore selected, namely **simulation models**. This method provides a flexible framework for analysis and permits model parameters to be via successive experiments in which objective information, informed guesses and judgment combine together to shape the final outcomes. The model used is composed of sub-models for natural resources, human resources, economic phenomena, non-economic phenomena, and for inter-Arab relations. According to FAN, these sub-models are linked together in a dynamic manner allowing for interactions in various directions among the variables. Consistency of the structures, assumptions, and outcomes of each scenario is said to be secured through a process of successive iteration in which «controlled experience and intuition» play a vital role.

Of course, to obtain conditional forecasts for the Arab nation's future is not an end itself. This is seen by FAN as a necessary step towards visualizing a desirable future, sorting out competing policy options and guiding policy makers in the process of goal identification and the transformation of desirable images of the future into working strategies, plans and programs.

FAN (pp.77-81) attributes the following advantages to its method of prospective analysis:

(i) **Comprehensiveness.** Prospective analysis is applied in a comprehensive way in the CAUS project in the sense that it covers all Arab countries and all sectors within those countries. Moreover, the analysis goes beyond the economic and technological spheres and allows social, political and military phenomena to be examined.

(ii) **Absence of prejudice.** While FAN admits that research in the social sciences cannot be totally free from ideological bias, it is claimed that the methodology adopted did not start with preconceived ideas as to the image of Arab future which is considered the best by the project team. Prejudice is avoided by examining alternative images of the Arab future, irrespective of which alternative is most favoured by the project team. However, since the number of theoretically possible alternatives is infinite, the analysis was restricted for practical purposes to three basic alternatives from which many other alternatives could be generated.

(iii) **Combining quantitative and non quantitative techniques.** The project builds on the experience gained in global modelling through application of systems dynamics. This approach overcomes the drawbacks of econometric simultaneous equations models noted earlier, and frees the models used for investigating the future from many of the constraints which prevailed in the past. Nevertheless, such models remain unsatisfactory because they allow no or only very limited scope for the incorporation of non-conventional variables, i.e. non-quantitative or qualitative variables. The CAUS methodology is said to have filled in this gap by including a sub-model for non-economic phenomena from which a number of non-conventional indicators are computed for such aspects as state power, stability, participation, cultural and military independence, and societal disposition for the satisfaction of basic needs.

(iv) **Interaction among sub-models.** To allow for the differing nature of the various sectors or phenomena, separate sub-models are developed to depict and quantify the peculiarities of each sector or phenomenon. The resulting sub-models are then related together and allowed to interact with each other in such a way that they form a comprehensive simulation model. This approach is considered to be superior to building a grand formal model and solving it simultaneously to find the values of all its endogenous variables. Given the manner in which the model is constructed and the nature of relations among its sub-models, values of the unknown variables are found sequentially by iterative methods. Model operators re-

sort to experience and intuition for judging the plausibility or otherwise of the various solutions.

According to the expert group report referred to earlier (see f.n.2), the project's methodology was generally well chosen. The combination of quantitative and non-quantitative methods, the manner of constructing the total model through developing inter-related sub-models, and the comprehensiveness of the analysis were all found to be highly commendable. The attempt to incorporate and quantify non-economic phenomena was considered to be praiseworthy, since it offered innovative solutions in this relatively unexplored field. Other innovative ingredients were observed in certain sub-models, e.g. the inclusion of conditional transfer statements (i.e. «if..., then...» statements), to avoid implausible solutions or solutions outside a predetermined range.

Examination of the methodology in detail, including examination of the sub-models and their linkages, revealed to the expert group a number of defects. **First**, the dynamic aspects of the models were found to be insufficient. For instance, the economic sub-model was dynamized through a single relation between output and investment. It was felt that dynamism could have been extended to other variables and relations of that sub-model. **Second**, the linkages among the sub-models could be improved and enriched. This applies for instance to the linkage between the natural resources and the financial sub-model which is materialized through one variable only, namely investment. **Third**, greater scope should have been allowed for the influence of external developments, as well as for the implications for the environment. **Fourth**, the manner in which the non-economic indicators were constructed was criticized on the grounds that certain indicators (or components of indicators) acquire undue weights due to the fact they are used as components in other indicators. In other words, the weighting of the indicators was somewhat distorted by regarding them as strongly interdependent. **Fifth**, due to lack of relevant data, the model operators resorted on numerous occasions to «international experience» to supply the missing parameters or critical values. Although in principle this practice is not unacceptable, the expert group felt that the project team tended to over-borrow from international experience (perhaps rather indiscriminately in some instances). This may have led to certain inconsistencies in the structure of the different sub-models, which must have been at least partly transmitted to their solutions.

On the relationships among prospective analysis, forecasting, projection, and long-range planning, the authors of FAN tended to over-emphasize the differences and to gloss over the similarities and dependencies. Given that prospective analysis produces conditional forecasts, it is then not totally different from forecasting and projection, because the latter are also explicitly or implicitly conditional. The approach applied for one of the alternative scenarios, namely the base-line or trend scenario is indeed essentially projectionist. Even for the other two scenarios,

forecasting or projection may provide preliminary estimates for some parameters or exogenous variables. Indeed, the project operates with the same set of population and manpower projections for the trend and coordination scenarios (see: FAN, p.481). As to the relationship between prospective analysis and long-range planning, FAN's insistence that the former contain a sizeable «normative» component brings the two approaches much closer to one another. In any case, there can be no disagreement that some kind of prospective analysis is usually the first step in the process of long range planning, overemphasized to the extent that they appear to be mutually exclusive. In reality, simulation does not preclude such methods, though it does not accept their estimates uncritically and takes the liberty to adjust them as it sees fit.

«Restrained» or «controlled» experience and intuition are said to play a vital role in FAN's methodology. This aspect of the methodology raises a number of thorny points. **First**, experience and intuition are highly subjective in that they differ from person to person and can be drawn from a multitude of sources which may not always be easy to identify, and whose credibility may therefore be difficult to assess. **Second**, the line of demarcation between what constitutes objective knowledge or lessons and what constitutes personal biases in people's experience and intuition is very hard to draw. Hence the danger of prejudice leaking into prospective analysis cannot be ruled out. **Third**, it is not exactly clear how the project team's experience and intuition are «restrained». Nor is it obvious where the restraint comes from.

These comments are not meant as an objection to the use of experience and intuition in futuristic analysis and simulation. In practice, some measure of these is inevitable. But when this is done, great care must be taken by the analyst or model operator to express the contents of his or her experience and intuition in the form of explicit assumptions, conditions or statements. The difficulty with FAN is that many of its assumptions, particularly those relating to the simulation model and its parameters, exogenous variables and linkages, remain either vague or implicit. This makes the discussion of the outcomes of the three scenarios and the dialogue over the future of the Arab nation (whose stimulation is an important objective of the CAUS project) rather difficult, and at times impossible. To be fair, it must be noted that the tendency to leave many assumptions vague or implicit and the lack of openness concerning the interventions of model operators in the course of scenario events are by no means peculiar to the project under review. Indeed, this is a fairly common practice in futuristic studies, particularly those using global models.

Finally, it is not clear to what extent the methodology as described in FAN was actually utilized in the project, given the constraints and obstacles of applied research in the Arab countries. There are, however, some grounds for the belief that a gap existed between the theoretical design and its application, though the actual magnitude of this gap remains unknown. FAN (p.549) reveals that the model was not used as intensively as planned, especially for absorbing the feed-back responses from the teams working on the project's three axes, and for performing as many

iterations as deemed desirable. Furthermore, the draft technical report admits that coordination and interaction among the axes' teams on the one hand, and between them and the modelling team on the other hand were not as effective as planned. This may have limited the scope for comprehensiveness and harmonization in the project's futuristic analyses.

4. Theory and Dialectics:

The theoretical basis of the CAUS project turned out to be a highly controversial matter. FAN (pp.57-58) dealt briefly with the question of theory and took a vaguely compromising stand. It doubted the existence of a unique theory «in the social sciences», and saw that the multiplicity of theoretical frameworks available provided grounds for the formation of alternative scenarios for the Arab future; each consistent with a specific theoretical framework. In selecting and drawing up the different scenarios, the project team sought theoretical discipline and correctness by two means. One is to subject the teams' assumptions and choices to the views of the largest possible number of Arab thinkers and researchers, so as to avoid bias towards a particular theoretical framework, and hence towards a particular scenario. The other is that in examining the Arab's past and present with the object of identifying determinants of future development, such examination should be based on the elements common to the different theoretical frameworks available, and should not lean on a particular «ideological and philosophical framework».

Examination of the Arab's past has led the project team to identify four dialectics (or dialectical processes) which have supposedly governed Arab history, and would, therefore, be expected to influence the shape of the Arabs' future. They may be stated as implying struggle or conflict between opposing forces, namely: (see FAN, p.63-69).

(i) forces driving towards unity and forces making for subdivision and fragmentation of the Arab world.

(ii) internal forces and external forces shaping the course of events in Arab history.

(iii) uniting and disuniting cultural forces (the uniting forces include Islam, Arabic language, common life styles, common heritage and culture etc.; the disuniting forces include the different schools within Islam, the varying dialects within the Arabic language, ethnic and religious minorities, etc.).

(iv) materialist and spiritual forces (this dialectic refers to the struggle between the world as it is and the world as it should be from the perspective of religious-political movements).

FAN (p.67) asserted that four dialectical processes were not independent of each

other in Arab history and provided some illustrations of the interrelationships among them.

Having outlined what FAN says about its theoretical framework, we may now present some of the reactions to this aspect of the CAUS project. On the basis of the opinions expressed in the project conference in Tunis (reference no. 5) and the assessments of two reviewers of the principal volumes produced by the project (references no.8 and 9), it can be safely stated that this aspect of the project was found to be unsatisfactory. Most observers felt that the project lacked a solid theoretical framework. The synthesizing approach of the project was seen by some commentators as leading to no more than a false compromise between conflicting theoretical frameworks. Also, the project's claim that its theoretical orientation was restrained and freed from bias to a particular ideological or political stand through the broad participation in the project activities of Arab thinkers belonging to different schools of thought did not seem convincing to many observers.

The four dialectics were strongly criticised on several grounds, viz:

- (i) they do not imply truly dialectical processes which could help explain particular historical phenomena or developments in Arab history;
- (ii) they are purely descriptive of forces which operated not only in the Arab world, but also in many other societies;
- (iii) given (i) and (ii), the so-called «governing dialectics» in Arab history provide no guidance to the task of futuristic analysis.

Some commentators felt that the project did not really need a theory of social change, since the question of the nature of alternative future paths was settled from the beginning via the criterion of inter-Arab relations. In this case, what the project needed for working out the prerequisites and details of each scenario, was no more than elements of social engineering or planning. Another alternative was suggested by some commentators, namely to resort to some theory of social change to analyse Arab history and to identify within Arab societies the major social actors, their interests and their social projects. Depending on the relative potential power of the different social forces, different scenarios could be developed, each representing the interests of a certain social force or coalition of forces. This alternative approach was probably motivated by a feeling shared by many observers that FAN contained very little social or class analysis.

To be sure, FAN did make several references to social forces or classes (e.g. the middle classes as crucially instrumental in bringing about modernization, and the changing social formations in the Arab World). What was felt to be missing, however, included such issues as the identification of principal social forces, the determination of their class behaviour, the nature of class struggle, and the social options of each class given its relative position in class conflicts, and the implications of these options for the question of Arab cooperation or unity.

5. The Three Scenarios:

As previously noted in section (2), the CAUS project explored three paths or scenarios for Arab future, namely the fragmented, the coordinative and the united Arab world scenarios. FAN (chapters 6,7 and 8) provides detailed expositions for each scenario concerning its initial conditions and prerequisites, its implications for economic development, socio-political developments and external relations of the Arab world, and the policies and mechanisms needed for its continued operation. The following observations and accompanying four tables highlight some aspects of the scenarios.

The fragmentation scenario simulates the consequences of an Arab world proceeding along lines similar to those which prevailed since the October War of 1973. The basic assumption of this reference scenario is that the Arab world will continue to be divided into separate nation-states, and that the same patterns of distorted and dependent development, of wasteful resource use and consumption, and of undemocratic rule will prevail up to 2015. This does not preclude some improvements in standards of living, in education, etc. Nor does it exclude the emergence of different forms of popular protest against the deteriorating conditions of the Arab world, as witnessed by growing food deficits and external debt, high levels of unemployment, worsening distribution of income and increased marginalization of the Arab world in the international economic and political spheres. The danger of increased fragmentation through the disintegration of some Arab states is expected to grow as a result of increased foreign penetration, aggressive behaviour of neighbouring countries (particularly Israel, Turkey, Iran, and Ethiopia), escalation of internal ethnic and religious conflicts, and vigorous growth of extremist religious movements.

Table (1)
Arab Population and Labour Force in the Three Scenarios
(millions)

Scenario \ Year	1995		2000		2015	
	P	L	P	L	P	L
Fragmentation	244	69	277	79	410	124
Coordination	244	69	277	79	410	124
Unity	252	72	291	85	448	142

Source: FAN, p.481.

Notes: P = Population, L = Labour force.

Table (2)
Average Annual Rates of Growth of Government
and Household Consumption in the Three Scenarios

Scenario \ Period	1991-1995		2001-2005		2011-2015	
	G	H	G	H	G	H
Fragmentation	7.8%	4.2%	5.3%	3.6%	5.5%	4.2%
Coordination	6.7%	4.4%	5.6%	4.4%	7.3%	5.4%
Unity	14.7%	3.6%	6.2%	11.1%	5.6%	8.5%

Source: FAN, P.492.

Notes: G = Government, H = Household

Table (3)
Average Annual Rates of Growth of Arab GDP and
Investment in the Three Scenarios

Scenario \ Period	1991-1995		2001-2005		2011-1015	
	GDP	INV	GDP	INV	GDP	INV
Fragmentation	4.8%	3.7%	3.9%	4.3%	3.9%	2.7%
Coordination	5.2%	4.2%	4.7%	4.6%	5.1%	3.2%
Unity	8.1%	8.0%	4.0%	7.3%	7.3%	7.4%

Source: FAN, p.485 & p.488.

Table (4)
Degrees of External Economic Vulnerability^(☆) of the
Arab World in the Three Scenarios

Scenario \ Year	1985	1995	2005	2015
Fragmentation	72%	65%	62%	4,9%
Coordination	72%	65%	59%	4.2%
Unity	72%	51%	33%	2.3%

Source: FAN, p.484.

(☆) Defined as percentage of the sum of imports and exports to GDP.

The Coordination scenario assumes that reformist movements are strong enough in some leading Arab countries to the extent that they can seize political power and implement their reformist policies, and that their success will encourage reformist movements in many other Arab countries to follow their example. The key objective of the movements in question is not to effect a major transformation in socio-economic and political arrangements, but rather to ameliorate and raise the efficiency of existing arrangements. Hence, more or less the same development orientation of the fragmentation scenario will be maintained, though economic and social performance is expected to improve as a result of coordination and cooperation among Arab countries. The state of dependency is also expected to continue, but the Arab world may slightly improve its position in international markets in view of the better bargaining power secured through coordinated action. No qualitative change is expected in the management of the Arab-Israeli conflict, though the improved economic and military power of the coordinated Arab world may hold back Israeli expansionist policies.

As noted briefly in section (2), the coordination scenario has two versions. The first involves the emergence of four regional groupings, namely (i) an eastern grouping with Iraq, Syria, Lebanon and Jordan as members; (ii) a Maghreb grouping whose membership includes Algeria, Morocco, Tunisia, Libya and Mauritania; (iii) a grouping for Arabia/Gulf countries which includes Saudi Arabia, Kuwait, UAE, Bahrain, Qatar, Oman and the two Yemen republics; and (iv) a grouping for Nile valley countries including Egypt, Sudan, Somalia and Djibouti. The second version involves cooperation among all or most Arab countries with respect to specific issues, e.g. oil and energy, food production, military industry, water projects, capital goods industries, etc. The results reported in FAN do not however, discriminate clearly between the specific benefits and costs of each of these two variants of the coordination scenario. Indeed, the authors of FAN (p.369) admitted that they found it extremely difficult to make this distinction.

The results of simulating the coordination alternative showed that in terms of GDP growth, all groupings and all countries except for Saudi Arabia, Iraq, Libya, Kuwait, Yemen Arab Republic, Qatar, Oman and Djibouti (8 countries) could achieve higher rates over the period of prospective analysis in comparison with both their rates of population growth and the corresponding growth rates in the fragmentation scenario. FAN did not explain why growth performance worsened in more than one third of Arab countries. Inspection of the growth rates reported for GDP showed that the growth differentials between the coordination and the fragmentation scenarios were rather modest. On the average, for the 1991-2015 period the gain is 1.5 percentage points for the Nile valley grouping, 1.3 percentage points for the eastern grouping, 0.6 percentage point for the Arabia/Gulf grouping

and 0.2 percentage point for the Maghreb grouping⁽³⁾. Here again, no explanation was given for these **gross** differences in growth performance across the four groupings, though inspection of the investment data reported in FAN revealed a strong correlation between the growth rate differences in GDP and investment. As can be seen from table (3), the Arab world as a whole improved its growth performance at an increasing rate in the coordination scenario relative to the fragmentation scenario. The GDP growth rate increased by 8% during 1991-1995, by 20% during 2001-2005 and by 30% during 2011-2015. In contrast, the investment rate of growth improved by 13% in the first period, by 7% in the second, and by 18% in the third.

Given that population (and manpower) estimates are the same for the fragmentation and coordination scenarios (why?!), household consumption grows faster in the latter scenario as can be seen from table (2). The consumption growth differentials are, however, very modest for the Arab world as a whole for the greater part of the period of analysis, though they increase from one sub-period to the other. Growth of government consumption exhibits a similar pattern as shown in table (2). FAN reports some improvement in the foreign debt of the Arab world: it drops to 80% of its level in the fragmentation scenario by the year 2000, and to 60% by the year 2015. As can be seen from table (4), external vulnerability of the Arab world shows no improvement up to the year 2000, and the estimated improvement by the year 2015 is very small: a decline of 7 percentage points in the vulnerability index.

As the face of it, the coordination scenario brings down unemployment levels for the Arab world as a whole drastically from 11.55 million in the fragmentation scenario to a labour shortage of 1.72 million by the year 2015. Further examination of the results shows a mixed picture at the groupings level: a labour shortage of 11.2 million in the Arabia/Gulf grouping and a labour surplus of 9.48 million in the other three groupings. It is not clear why labour movements do not take place between groupings so as to transfer the surplus labour to the labour-deficit groupings. Nor is it explained in FAN how the rather modest gains in GDP or investment growth rates manage to bring down unemployment levels by 2015 from the shocking level of 23.86 million to the more tolerable 9.48 million in the non Gulf groupings taken together⁽⁴⁾. It must be assumed that there is a massive shift to labour-intensive technologies in the coordination scenario. Given FAN's statement that labour productivity increases in this scenario, one becomes eager to learn where these technologies come from, in which sectors they are applied, and to what extent they are really feasible. Unfortunately, FAN keeps silent about such crucial and highly interesting matters.

(3) Average differences in growth rates were calculated from the growth rates reported for each grouping for 5 five-year periods in Table (7.1) in FAN, pp.370-373.

(4) Labour shortages and deficits are given in table (7.7) in FAN, p.385 see also p.381 and p.384 for the authors commentary on labour market development in the fragmentation and coordination scenarios.

According to the authors of FAN (p.391), the Maghreb grouping is said to benefit the least from the coordination scenario, and the Arabia/Gulf grouping is said to be among those which benefited the most. The first part of this statement may be accepted on the grounds that the Maghreb grouping's improvement in growth performance is negligible. But the grounds for the second part of the statement are by no means obvious. The Arabia/Gulf grouping's gain in annual GDP growth is also very small (0.6 percentage point over the 30-year period of analysis); its demand for migrant labour drops by 1.1 million by the year 2015, and its gain in household consumption growth rate is almost the same as that recorded for the Maghreb grouping (28% and 27% respectively).

The **third scenario** involves predicting socio-economic and political developments on the admittedly unrealistic assumption that conditions are ripe for the emergence of a united Arab world by 1985. Almost everything changes to the better in this scenario and a rosy dream-like image is materialized on paper for the Arab world. Social formations permit modernizing social groups to flourish (urban industrial working class, upper bourgeoisie class, middle strata of professionals and technocrats, and industrially-minded peasant class). Opportunities for social mobility broaden, new mechanism for managing class struggles develop due to the legitimization of political pluralism. Better social values become prevalent with regard to work and production, the status of women, and the relation between production and consumption.

Economic growth proceeds through effective planning, and growth performance is greatly improved. As can be seen from table (3), GDP growth rates nearly double in comparison with the fragmentation scenario. The development of investment, also shown in table (3), is, however, uneven from one sub-period to another (why?). The Arabs manage also to develop a solid technological base and to enhance their military power substantially. Finally, the Arab world will be governed by democratically-elected elites which may represent either well-to-do upper classes or popular classes. Development will therefore proceed along western lines in the former case, and along basic needs/independent/self-reliant lines in the latter⁽⁵⁾. The numerical results reported do not enable one to ascertain the differences between the consequences of these two variants of the unity scenario. It is not clear whether the results relate to one variant or another, or whether it is implicitly assumed that the two variants lead to the same results in spite of some of the distinctions made in the verbal discourse. (FAN, pp.464-478).

Demographic and manpower developments in this scenario are somewhat sur-

(5) Some confusion arises here. For FAN maintains (p.445 and pp.466-467) that when upper classes rule, development is capitalist and western oriented. On the other hand, one reads on p.79 (f.n.) that the unity version in which Arab capitalists run the affairs of the unified Arab state was excluded on grounds of non-feasibility.

prising. In comparison with the fragmentation and coordination scenarios, population and labour force are higher in 2015 by 9.3% and 14.8% respectively⁽⁶⁾. Given what FAN says (p.479) about the great potential in this scenario for raising standards of living, government expenditure and female participation in economic activities, and for bringing down infant and child mortality, one would have expected lower projections for both population and labour force after 30 years of implementing the policies of unity scenario. In the absence of detailed information on the dynamics and parameter estimates of the demographic and manpower submodels, this matter could not be pursued any further.

With regard to labour absorption in this scenario, great improvements are reported for commodity sectors, with the exception of mining, in comparison with the other two scenarios. The results presented in FAN (p.491) do not cover all sectors of the economy of the unity state, nor are they comparable with the labour demand results given earlier for the other two scenarios. Therefore, the readers of FAN remain uninformed as to the capacity of this scenario for coping with unemployment.

As can be seen from table (2), government consumption grows faster than in the other two scenarios in the initial sub-period, and then grows at similar rates later on. The opposite holds for household consumption. No reasons are advanced by FAN to explain this particular behaviour of the consumption variables.

The external economic position of the Arab world improves at impressive rates in the unity scenario. Table (4) shows that the measure of external vulnerability is brought down to 23% by 2015, as compared to 42% in the coordination scenario and 49% in the fragmentation scenario. FAN (pp.483-485) reports other favourable developments in respect of the foreign debt to GDP ratio, debt service ratio, the saving-investment gap, the trade balance, and terms of trade.

The general reaction of most commentators at the Tunis conference to the unity scenario was that its consequences are too good to believe. Many felt that the project team tended to be overoptimistic regarding the potentialities of the unity alternative. In contrast, the prospects of the other two alternatives were underestimated. Some questioned the assumption that popular classes are necessarily in favour of a united Arab world and strongly oppose the present nation-states. Others expressed doubts about the assumption that the united Arab state would be a pluralistic, democratic egalitarian and independent state.

(6) See table (1). While FAN (p.480) reports development of several demographic and manpower indicators for the unity scenario, no comparable information was reported for the other two scenarios. This renders it impossible to pass judgement on the plausibility of the reported measures, which one does not also know whether they represent assumptions or results of policy simulations.

6 • Further Remarks:

Going back to the objectives of the CAUS project as summarized in section (1), we may conclude that most of these objectives were realized, albeit at varying degrees. Remarkable achievements were made in respect of elaborating alternative future paths for the Arab world, developing an appropriate methodology for futuristic analysis, arousing interest in and improving awareness of the challenges facing the Arab world and the different options for coping with them, and providing useful inputs for those concerned with constructing a renaissance project for the Arab nation. The objectives of constructing information base and institutionalizing team-work traditions which are required for further futuristic studies of the Arab world were not fulfilled. This is partly explained by the failure to publish the modelling volume and to make the information base used by the project accessible to potential users. Another part of the explanation is the observation expressed by FAN, and also in the expert group meeting on modelling activities, that the linkages among the project axes and the interactions between model operators and other researchers in the project were not sufficiently strong.

It was repeatedly stated in FAN that the project aims at calculating the benefits and costs of each scenario. Our review of FAN revealed the absence of such calculations. No comparative statement of the benefits and costs of the three alternatives was found, and, as noted earlier, whatever partial information was presented did not permit meaningful comparisons to be made. Moreover, the methodological apparatus for calculating the benefits and costs in question is yet to be developed.

One general criticism of the CAUS work as presented in FAN needs to be stressed. That is the tendency to describe the different scenarios, whether verbally or numerically, in a way which does not reveal which parts of the description are assumptions, and which are findings based on those assumptions. This rendered the discussion of the work very difficult, and at times completely impossible. In any case, this is bound to be a source of great confusion and misunderstanding.

A related difficulty with FAN is that one misses in its analyses and expositions sufficient argumentation to explain why particular assumptions were adopted (or rejected), and to interpret some of the major findings and comment on their credibility. It is appreciated that the size of FAN is already big (574 pages). But it appears to me that such additions were indispensable and could have substituted for some of the lengthy and at times repetitive presentations presently included in FAN.

The project's treatment of the relations between Arab countries and their principal neighbours in the three scenarios tended to stress the negative/ aggressive sides of these relations. Many commentators missed a more balanced analysis of the Arab's relations with their neighbours. A similarly weak aspect of FAN's analyses was found in its stress on the role of the middle classes, in social change. It is felt

that the overemphasis on these classes, leading role could have been avoided, had a more intensive analysis of social formations, class struggle, and social change been undertaken.

Inadequate attention was given to the non-economic aspects and determinants of development. Several observers noted this and emphasized the need to extend the analysis to cover institutional, cultural and ideological aspects of development. Also, a fuller treatment of the environmental implications of the three scenarios would have been extremely useful.

The critical observations made here and in the preceding sections should not, however, divert attention from the merits and great value of the CAUS project. By all measures, this is a path-breaking work. It certainly marks a major turning point in Arab futuristic studies. However, its completion does not obviate the need for further studies. Rather, it constitutes a good foundation upon which many other studies will rise, benefiting from its successes, learning from its weaknesses, and thereby extending the boundaries of our understanding of the future of the Arab nation farther than it did.

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