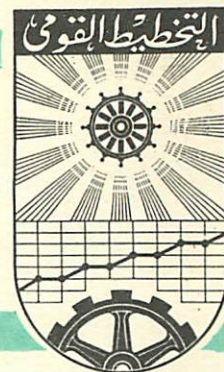


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PHILOSOPHY, PRACTICE, AND SOME PROBLEMS
OF PRIORITY OF REGIONAL COOPERATION
AMONG DEVELOPING COUNTRIES

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The dissertation aims to reveal the problems, possibilities and achievements of inter-Arab cooperation in global, regional and national perspectives. This, as a whole represents a new approach in economic research which has concentrated so far on ideas rather than real processes. Beyond this new approach, there are interesting and important new results. By revealing the socio-political, economic and structural factors of inter-Arab relations, by showing the nature of technological transformation in the Arab countries, by showing the implications of the armament process the dissertation clarified the possible framework and limitations of cooperation and drew the attention to the existing and potential conflicts.

I. INTRODUCTION

This chapter is dealing with the international environment determining the problems and possibilities for the developing countries.

1. The complicated, sensitive, and interrelated global economic, political, and social systems which underpin modern societies are hardly governable at present; and that they will remain so unless and until, on the one hand, East-West confrontations are converted into actual cooperation and, on the other hand, North-South relations are conducted on a realistic basis of mutual interest.
2. The world economy has been going through the most severe crisis since the great depression of the 1930s. The crisis has many dimensions, all of which have contributed to the deterioration of the economic situation in the developing countries to the slowdown of their economic growth, to the increase of their internal and external imbalances and instabilities. The dimensions and the characteristics of the crisis are interrelated and intertwined in a complicated way, since interdependence and strong interactions characterise relations among the countries. The last decade also witnessed a substantial changes in the deterioration of the international political situation coincided with changing power structure in the world economy as a

whole (e.g. international flow of capital, of trade and the domination of technology still in the hands of the capitalist developed countries, the increasing differentiation among developing countries NICs, the oil exporters, the capital exporters, the arms trade brokers and moreover arms manufacturers).

3. A lesson should be learnt from the present world crisis may be the following: It is a futile attempt of any one country or group of countries (regions), to find solutions of contemporary international economic problems in isolation. A close and realistic interrelation must be therefore established between the programmes for world economic recovery and the restructuring of existing international economic relations and the restoration of the peaceful progress path and urging, not only reactivating, without delay the establishment of NIEO on the basis of Regional and Interregional Co-operation. Unless the world community do so, the world will still undergo extremely painful events; this, neither the rich nor the poor have the right to accept, especially after the victory of the national liberation movements in the post-Second World War period, which led to the political disintegration of the colonial empires. The new independent countries, however, remained in the framework of the traditional division of labour. A new, basically economic form of colonialism became the main characteristic feature of relations between the developed and the developing countries.
4. The new development decade (1981-1990), with a universally applicable global strategy, which has essentially been adopted as the fundamental long-range objective in the restructurisation of the world economy, and in keeping with this it reasserts virtually all the postulates and principles of the concept of a New International Economic Order. As the basic aim behind the ideas and programmes for the establishment of a NIEO is to change the traditional and neocolonialist system, and to put international economic relations on equal terms, and an impetus to restructuring of international economic relations, so that they should not hinder but promote economic and social development, for all countries in our world and not only for a minority. Meanwhile, the process of establishing the NIEO suffers delay not only because, as often heard, the political will is lacking

or is insufficient in certain countries, or group of countries, but because conceptional confusion and procedural disturbances also hamper progress. This perception crisis means that, there is a contradiction between the long-term objectives and the concrete practical steps or practical applications. However, since 1974/75 practically almost all the UN bodies and international organizations have made efforts to apply the idea to their own spheres (UNESCO, ILO, UNCTAD, UNITAR, UNIDO, FAO, WHO, UN University, Non-Aligned Summits, Club of Rome, Brandt Commission etc.). But in practice many obstacles still hindering the struggle, urgency and mobilization for a NIEO resulted a delay and put its noble objectives aside. Such obstacles are sounded in political and administrative obstacles; obstacles to international trade; obstacles to international finance; obstacles to the production and distribution of primary commodities and energy; obstacles to the transfer of technology, and social obstacles.

5. The regional dimension will facilitate in such improvements, without which mankind will never be able to govern itself or its world. Regional Cooperation among Developing Countries (RCDC) on the basis of the commitment and the principles of Collective Self-reliance (CSR) producing the alternative policies to accelerate development and changes to the same direction. RCDC gains new significance as a strategic principle that joins the already known and accepted principles of Economic and Technical Cooperation among Developing Countries (ECDC and TCDC), on the regional and interregional levels. It is an essential dimension in the efforts of Third World Countries to enhance their collective self-reliance and achieve a more adequate countervailing power in the ongoing North-South negotiations pursued for several years with little real progress has been achieved to date, taking in considerations that Regionalism, in the form of RCDC, must become part and parcel of current global efforts to establish a NIEO.
6. Collective Self-Reliance (CSR) is a much broader concept than that of regional integration and co-operation, the concept of CSR embodies two distinct notions of unity, the first derived from uniting against an outside group, and the second derived from uniting with others in a similar predicament with a view to collectively solving common problems. The first is both more short-term and more urgent and it can be promoted through

Third World institutional links of a general kind (an Organization for Southern Cooperation and Development, OSCD), as well as regional sub-divisions (UN regional Commissions), and links of a more specific kind (producer associations, for example OPEC and OAPEC). The second is both more long-term and more direct and it can be operated at various levels, from that of the Third World as a whole, its regional divisions having geographic contiguity, down to the level of countries linked through a similarity of development problems or prospects. The various levels at which CSR can operate, there are three basic approaches, sectoral level; policy level and development integration level with a priority to popular consumer goods and food without neglecting industrialization heavy industries and a diversified appropriate technological mix should be the basic guideline of a Third World Cooperation. As the range of objectives of needs-oriented development constitutes a synthesis of the growth, employment and poverty-eradication goals. Growth is envisaged through increased output of basic goods and services; the rapid generation of adequately remunerative and socially satisfying employment is anticipated through the use of technology requiring little capital per worker; and the combination of increases in output and employment levels should enable each worker to meet his and his family's consumption requirements. Closely linked to the growth, employment and anti-poverty objectives are the worker's basic human rights to freely chosen employment and to membership of the organisation of his choice, not only as ends in themselves but as contributing factors to the satisfaction of basic needs. Mass participation is vital for keeping up the momentum of structural reforms in support of basic-needs objectives, so it also adds a political dimension which has always been missing from traditional strategies.

7. No external change could be stabilized without firm internal commitment to reforms. Necessary changes and solutions should stress many areas. Among these areas of importance at regional level: agriculture and food, science and technology as well as R+D; and security considerations. Moreover some changes in various elements and the pattern of international economic relations in order to facilitate the task of fulfilling na-

tional sets of basic needs such as reforms of world trade; world monetary system; resources flows; relief of debt burden; increased economic cooperation; and support to the establishment of NIEO.

II. EXPERIENCES OF REGIONAL COOPERATION AMONG DEVELOPING COUNTRIES AND ARAB ALTERNATIVE FUTURES

This chapter is dealing with the theoretical and practical problems of regional cooperation in comparative perspectives.

1. Since the end of the Second World War, developed countries have actively promoted the mechanism and institutions of "Regional Cooperation". More recently, this approach has been reflected in the efforts of developing countries to foster their collective self-reliance as an integral element of the NIEO. But many nation-states are no longer efficient technological and economic units. Most of the emerging nations today are too small to modernize themselves as self-sufficient autonomous entities as such. The alternative may be a new integration into broad regional units. This would be similar to the nation-building processes in Europe and to its aftermath, extended into the realm of regional common markets. Henceforth, economic life is to be modernized on an integrated plane, but one narrower than the worldwide level as a whole. The next phase of international history could be the emergence of regional blocs and international cooperation could be among these nascent blocs. The development level could be made more equal by this process.
2. Two decades of efforts (1960s and 1970s) in favour of regional economic cooperation have given Latin America extensive experience with respect to the strengths and weaknesses of regional cooperation. The Latin American experience reveals unquestionable achievements that reinforce the idea of regionalism as an efficient trade instrument for the developing countries. In the case of LAFTA, CACM, and the Andean Pact (GRAN), the growth of two-way trade has surpassed all expectation. The lessons from Latin America and recent history are conclusive in the sense that the problems encountered cannot be solved by schemes which involve a high

degree of planning and supernationality, nor by those which are based mainly on free trade. It is necessary to look for new paths, as the obstacles to economic integration among less developed countries may be found in the very roots of the import-substitution model: in the political and economic costs of levelling the disequilibria in industrial development among the member countries, which often clashes with the national aim to speed up industrialization. All those costs are tremendously increased by the small size of the integrated market and by the marginal effects of integration upon the macroeconomic variables.

3. One of the structural characteristics of the Association of South East Asian Nations (ASEAN) states as developing countries is the role of transnationals, of the oligopolistic mode of production, which is geared to extra-regional trade. As for intraregional relations, it has been observed that the commercial structure of each of the five members (Singapore, Philippines, Malaysia, Thailand and Indonesia) has not encouraged any close ties among them, as compared to the relations that each of them have with other countries. With respect to industrial cooperation, little was accomplished in the 1967-1976 period in spite of the fact that the UN report submitted in 1973 recommended the suppression of customs tariffs and proposed thirteen economically viable projects which were meant to bring about regional cooperation. A very positive element, the five member states of ASEAN signed a treaty in Bali, they renounced the use of force as an instrument for settling disputes among themselves. They pledged to submit all differences to a high council of ministers, which would recommend the best methods for the settlement of conflicts. The ASEAN governments recognized the need for a regional cooperation policy that could cope with the changes which had occurred in the international scene. They have demonstrated the power of their political will to overcome certain obstacles, making ASEAN a viable regional organization.
4. Most of the developing countries in Indian Ocean Basin region are ill served by transportation and other links in the region, and no attempt has been fostered to build up the infrastructural links by way of banks, insurance companies, trading houses, and shipping companies to promote inter- and intra-regional trade in the region. The determination for cooperation is not too strong either due to traditional conflicts between some of the countries. A recent cooperation agreement may bring some new pos-

sibilities. The region is potentially very rich in minerals and agricultural products, and is also blessed with oil. It has, in the past two or three decades, been able to build up a reservoir of technological skills and expertise in a large variety of industrial and agro-enterprises. It is in a position - to an extent - to offer to other countries of the region the kind of the needed technology which is best suited to their needs, is also labour-intensive, and can help create more jobs in the region. Optimism for the prospects now that some of these countries have been able to develop the financial resources and also the technical and managerial skills, and since the region as a whole is blessed with much agricultural and industrial potential and with mineral resources, there is no reason why a determined effort cannot bring about a greater degree of complementarity and a greater degree of economic growth, collective self-reliance than the region has witnessed in the past.

5. African regionalism was originally linked with Pan-Africanism, as an economic-political tool for achieving political emancipation of the territories still under colonial domination. A regional development model has taken many different forms in Africa. At one level, countries have attempted to coordinate their policies, especially vis-à-vis external countries, in which case they did aspire to form a political organization or a federation. At another level, countries have aspired to form economic unions, customs unions, or free trade areas. Regionalism in Africa has also taken the form of cooperation among development research institutes to share results and experiences in the socio-economic development research and studies. The nature and variety of the African regional economic groupings, and more especially the differences in their objectives, make a generalized approach to the question of the assessment and distribution of costs and benefits rather difficult. A more acceptable approach would be to consider case studies, an illustration of this issue would be in order. For instance, the Treaty of East African Cooperation states as its primary objective to strengthen and regulate the industrial, commercial, and other relations of the partner states to the end that there shall be accelerated, harmonious, and balanced development and sustained expansion of economic activities, the benefit of which shall be equitably distributed. The mechanisms for ensuring a balanced development or equitable distribution of benefits were

not clearly discussed and agreed at the outset. This constituted one of the major pitfalls of the community. The same observation can be extended to the Central African Customs and Economic Union (UDEAC), the Economic Community of West African States (ECOWAS), the West African Economic Community, and the African, Malagasy and Mauritius Common Organization (OCAM). Evaluating African regional economic integration and cooperation experiences, there is general consensus in Sub-Saharan Africa that regional economic integration offers great hope of accelerating the socio-economic process for many countries. The basic objective of these economic groupings is the same - to coordinate the development programmes in the different sectors and subsectors as a means of accelerating the rate of economic growth and development. It is also the objective of African regional economic integration to ensure that there is a regional balance in development so that the benefits from joint economic activities are equitably distributed among the partner states concerned. In fact, some joint economic schemes in Africa have been successful, especially the smaller ones involving a few countries within somewhat similar development objectives. Despite this recognition, however, the progress toward African regional economic cooperation and integration in the past has been rather disappointing. Most economic groupings have been unable to pursue their initial objectives or have been dissolved. The new ones are naturally cautious about getting themselves committed to treaties which may never be implemented.

6. Considering the case of the Council of Arab Economic Unity (CAEU), the organ established under the Agreement on Arab Economic Unity which entered into force in April 1964, and the establishment of the Council is the culmination, in the field of economics, of the Pan-Arab movement which began at the end of the World War II with the establishment of the League of Arab States (1945). The Council has striven to promote co-operation and integration in several areas of activity. These areas of activity are referred to by the Secretariat as approaches to integration, and they include: resources (financial, natural, human), trade liberalization, production (multinational enterprises, or joint ventures, and federations for existing industry), co-ordination of development plans and co-ordination of the positions of member countries in negotiations with third countries. The 1964 Agreement is extremely clear in the definition of its objectives: "A complete economic unity shall be established among the Arab League

States" (Art. 1). The transitional provisions of the Agreement provide that Union will be achieved in successive stages and in the shortest possible time. The mention of stages can be seen as a reference to the traditional forms of gradual integration: tariff preference area, free-trade area, customs union, common market and, finally, full economic union. Three months after the Agreement on Arab Economic Unity entered into force, the Arab Common Market was established as a first step towards the attainment by stages of the full unity provided for in the Agreement. However, by 1976, more than 12 years after the adoption of resolution 17 by which it was established, the Arab Common Market still had only five members (Iraq, Syria, Jordan, Libya, and Mauritania), and as far as trade is concerned, resolution 17 does not actually establish a common market in the traditional sense, but rather a free-trade area, the member countries being under no obligation to adopt a common external tariff. Within the broader framework of the Agreement on Arab Economic Unity, the stagnation or decline of the Arab Common Market has meant that the market integration or trade liberalization instrument has essentially remained outside the framework of co-operation policy, this policy seems to have been concentrated with great hope on the multinational enterprises, which, although they constitute very important initiatives, do not for the time being encompass all of the countries and are still at a promotional stage. Given the characteristics of the grouping of countries constituting the Council of Arab Economic Unity; or the Arab Common Market, the inevitable conclusion is that the market integration formula was not feasible or, as the CAEU Secretariat stated it: it was so ambitious that it ignored the true economic situation of its member countries. But, this does not mean that no possibilities exist for other forms of co-operation, for which, as we have seen, the conditions are in fact ideal, nor does it mean that partial economic integration of more limited groupings of relatively more homogenous countries are unfeasible. The factors militating against the formation of such subregional groupings are to be found, for the present, in the political rather than the strictly economic field, and it is to be hoped that in the future such groupings can provide the means of implementing plans for closer cooperation in this part of the developing

world. More or less, the limited success of regional cooperation efforts in the Arab World may be attributed to economical, political, and cultural factors, in which the economical factors express itself as the following: differences in the level of industrial development; fear of unequal distribution of gains; distortions in relative prices, while the other political factors are: differences in economic and social systems; considerations of national sovereignty; consideration of internal and external security, and the third group of factors as cultural: considerations of ethnic and individuality conflicts; rigidity of rational and progressive thinking; dogmas and traditions by which not bring about desirable easy and descent change. Approaching such obstacles, additional attention by the existing national planning institutions in carrying out such tasks, it may be suggested; in a multilateral character and multidisciplinary approaches; that such an Association of Arab Institutes and Centres for Economic and Social Development Research (AICARDES) as the Association's main objective is to promote research and training activities for economic and social development in Arab countries through close co-operation and collaboration between their members and other Arab institutions as well as other institutions of the Arab League and others outside it, also, beyond the region. On the basis of "Joint Arab Economic Action" strategy adopted by the 1980 Arab Summit, and in parallel of UN University initiative carrying out regional research projects in the Third World fetching for the Arab region "Alternative Futures", an approach stipulates development in harmony with individual country development efforts and can optimize the use of resources and serve the dual purposes of development and security in the Arab region.

7. To reach a result from all the existing approaches towards regional economic integration and co-operation are based on the same model which essentially has, and reflecting, in one way or another and in different extents and degrees, the following characteristics; its origins are to be found in the colonial period; it is a model for market integration and therefore of a capitalist type; it gives rise to operational difficulties which are quite specific to developing countries (uneven development, structural weaknesses, needed infrastructure, etc.). So, the need for an economic development strategy, collective self-reliance based on integration and co-operation of production. A production integration based on

the specialisation and/or co-production expressing the positive perspectives and the advantages having a potential merits in the regions of the Third World decreasing the negative perspectives as the Third World regionalism represents itself "agree to disagree"; economic regionalism and nationalism leading sometimes to use harsh treatments; intra-regional economic relations had been heavily constrained while extra-regional economic relations was nevertheless manifest; a lack of political will; the short-sighted perception of costs and benefits. So, regional integration and cooperation in Developing Countries is still not easy task. For it to take concrete shape many difficult problems of coordination character, at first step, have to be overcome at all levels; sectoral level, policy level and comprehensive integrated development level, nationally, sub-regionally, regionally and interregionally.

III. COMPLEXITY NATURE OF THE AGRICULTURAL PROBLEM AND FOOD SECURITY IN DEVELOPING COUNTRIES, THE ARAB REGION SITUATION AND PROSPECTS FOR COOPERATION IN THE FUTURE

This chapter is devoted to cooperation in the field of food and agriculture, which is especially important in the Arab World.

1. Necessary changes and solutions should stress many areas of priority character. One of the most important problems of priority and as a general issue is the agricultural sector and its role, which lies at the heart of the development problem in developing countries and one of the very important schemes of promoting regional co-operation among them. The agricultural sector is usually the main focus of poverty and malnutrition especially in the countries with high and rapidly increasing population. As it is the source of food, mention should stressed on food security and the fear of using food weapon in international relations framework. Food and agriculture issue in North-South relations came to this point in the early 1970s with the World Food Conference of 1974 as the initial forum. They have continued to be major issues in all international negotiations and they are likely to continue to be major issues for the next decade or more.

2. Nations able to deal with internal (physical) factors; water; land, weather fluctuating conditions, fertilizers, etc., to be modified by technology, may be able to reduce their sensitivity and vulnerability in security issues, but if, on the other hand, scarcity arises from the policies of external actors over which states have little or no control, it may be difficult to organize to counter them effectively. So, judgments about scarcity and vulnerability, in turn, condition how effective food may be as a national security resource.
3. The complex of multidimensioned character expresses itself in the agriculture and food issues in Third World. Such expression finds sound with respect to food production and population growth, the low yields, the underutilization of labour force, the irrational programmes of land reform in broadest sense. The Arab Region illustrates all these combined problems, like other developing countries. The complexity nature of the Arab agricultural and food problem is closely interrelated with Arab economic joint action, coordination, cooperation, collective self-reliance, intra-regional and inter-regional cooperation and integration and Interdependency, since the attempt to each country to play solo and provide the potential production for its population may be rendered impossible from a practical point of view, owing to shortages of financial resources, technical experience, qualified skills, labour, infrastructure, etc.
4. Arab food problem must be approached within the framework of all Arab Countries, as they complement each other as regards the availability of economic resources deemed necessary to realize food security for the whole region. The food gap in the Arab region demonstrated by the increased demand for agricultural products and foodstuffs and the decreased trends of exports (17%) with respect to imports in 1980, it introduces a great differences calculated to 40 times within the last decade period to reach \$ 16,300 millions, also self-sufficiency and self-reliance declined especially in countries with large agricultural potentialities (Algeria, Egypt, Syria, Sudan, Iraq and Morocco). The reflection of recent tendencies of dependency upon importation in which the share of the main sources is: U.S. 40%, Canada 20%, France 10%, Australia 10% and Argentina 5%, if such heavy dependencies will continue (only as it is), the total costs of food imports will exceed total Arab exports including oil and oil products (in 1980 - \$ 229 billions) with 40% by the year 2000, and will exceed total world agricultural exports in the same year (\$ 290 billions) with 11%.