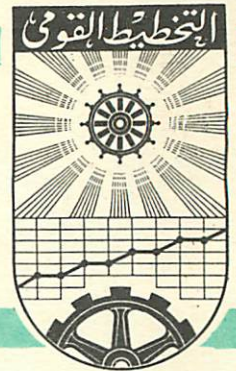


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PHILOSOPHY, PRACTICE, AND SOME PROBLEMS
OF PRIORITY OF REGIONAL COOPERATION
AMONG DEVELOPING COUNTRIES

By

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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 conceptual 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 cooperation 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 multi-lateral 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%.

5. Trying to find reasons and obstacles of Arab agricultural and food development problem and the backwardness, it may be rooted to the take-off of oil sector, the exodus from rural to urban centres, the absence of the grass-roots participation. The consequences resulted are of negative character: incapability to supply the population with food, fodder for animal husbandry, and the incapability to meet the raw material requirements of industry. The negative correlation between the rise of oil revenues and the development of Arab agriculture is certainly not coincidental. The emphasis on urban sectors, the increase in food imports, the improper agricultural output price policies and the allocation of investment funds away from agriculture have all contributed to the difficulties of the agricultural and food sector.
6. One of the most important issues of the collective Arab agricultural development and food security of the region is the concentration on the Sudan potentialities, the same is still going ahead with efforts towards achieving economic cooperation and integration between Egypt and Sudan.
7. Two parallel paths should be suggested on the basis of a joint action in the Arab region approaching the development of agriculture and food security. The first one has to concentrate on handling the problems hampering decisions to find solutions and alternatives to such obstacles: planning the programmes of food security in relation to Arab Development Decade, capital flow to countries with more agricultural potentials, co-ordination and intensification of technical cooperation and development financing. Specialized institutions concerned in the Arab region have to carry out initiatives with respect to the above mentioned. The second path having a target to create legal institutional and organizational basis to coordinate among the efforts of the aforementioned specialized institutions.

IV. TECHNOLOGY: CORE ISSUE OF NIEO OBJECTIVES, TCDC AND THE STATUS OF MANPOWER AND EDUCATION IN THE ARAB REGION

This chapter examines the needs and obstacles of regional cooperation in the field of new technology.

1. Among the serious problems still dominating the developing societies, problems of poverty, illiteracy, inadequate housing, and limited industrial capacity, one of the most important is technological dependence. The developing countries had to import technologies from the industrialized countries of the North. Technology has become a new control factor in the explanation of under- and distorted development. As the technologies imported were very expensive and over two decades caused a serious drain on the financial resources of the developing countries, increasing dramatically their external debt in the last few years, the developing countries are now placing high priority on economic and technical co-operation (ECDC and TCDC) among themselves to produce and to share more appropriate technologies. In the past 30 years, the widespread reliance on external sources of technology to increase productive capacity but this dependent position has neither helped meet the basic needs of millions of the world's poor, nor has it created independent strength in capital goods, engineering and other sectors. So, the existing of a structural gap between the type of technology needed for social reproduction and the type of technology that is imported. Data reveals this dependent position, not more than 12-15% of R+D scientists and engineers are situated in developing countries, industrialized economies account for 97% expenditures on technological innovation, exports share of machinery and equipment is 2-3% in contrast imports of the same items account for approximately 90% of total imports of developing countries, direct costs of technology transfers in foreign exchange estimated by UNCTAD, was \$ 1.5 billion in 1968 and it has been estimated that this figure has been rising about 20% yearly. The social cost of the above-mentioned constitute a severe burden on Third World Countries and further their technological dependence and born of a technological dominance by TNCs as all critical decisions regarding investment, employment, pricing, profit remittances, sources of input and market outlets are made in conformity with their world-wide objectives without consideration of the economic and social imperatives of host countries. Technological dependence is also due to the lack of local technology. Furthermore, the "learning by doing process" which is essential for the development of local skills, has been hampered by the practice of foreign technology. Such technology flows have contributed to some extent to deform industrialization of developing countries.

2. The construction of a viable framework for the technological transformation of the developing countries should begin with a proper understanding of the technological gap among nations. The views on the size of the technological gap are so far apart that there is need for a systematic examination of the bases on which informed judgments could be made. Given a technological gap of the size (about 1:10) in 1975, it is relatively simple to work out the general dynamics of the technological transformation of developing countries required to reach the 1975 technological level of the developed countries, it would take 80-100 years to reach the 1975 level with an annual growth of per capita GDP of 3%, 60-80 years with an annual growth of 4% and 50-60 years with an annual growth of 5%. These relationships would, of course, vary in accordance with the size of the gap (i.e. depending on whether the 1975 level, or any other past level or one assumed for the future, was sought to be attained), and with the assumption concerning the annual rate of growth or the period of time within which it was sought to accomplish the transformation. The distortions resulting from the use of current exchange rates, it would seem that the real technological gap would be narrower, than the ratio of 1:10 mentioned above. The per capita availability of products is not, of course, a complete indicator of the standard of living of a society, or of its well-being in the widest sense. The latter depends not only on the size of national income and how it is distributed but also on the stock of accumulated assets, social infrastructure and technology. A systematic work is needed, with an analysis by sectors before valid indicators can be constructed to outline the dynamics of technological transformation in the developing countries. The indicative estimates show that if the 1975 level of per capita availability of goods and services in the developed market-economy countries were to be set as an objective for the developing countries, its attainment within 50 years would require an annual per capita growth of output in the agricultural, mining, manufacturing and services sectors of 1.4%, 2.2%, 5.7% and 5.4% respectively. The time span would obviously be shorter if these estimates were to be adjusted for the factors that tend to overstate the present gap. Moreover, it would be shorter still if higher growth rates were achieved through rapid technological development. This approach is intended to serve only as a frame of reference, and it shows that the task is not a hopeless one or one

that would take centuries to accomplish. It is a manageable task, which could be accomplished within 25 or 50 years, with annual rates of growth of per capita GDP of 10% and 5% respectively, which are not impossible of achievement. This requires a bold programme of action aimed at accelerating the technological transformation of the developing countries and complemented by new forms of international, interregional and regional cooperation.

3. Technology creation, transfer and adoption cannot be separated from the socio-cultural, political and economic conditions, and the social structures and institutions characterizing the societies in which technology is produced as well as the societies into which it is introduced. Technology is always part and parcel of a socio-technical system where concepts, standards and norms guide production and the organization of production. Evident, an inappropriate technology tends to produce social relations which are typical for the system in which the technology originates, the developed countries technologies are, to a substantial degree, inappropriate technologies for a basic-needs oriented, self-reliant and democratic development model. A development based on self-reliance, democratic participation developing countries cooperation would fit socio-cultural structures and values in Third World countries, where their socio-economic structures and values differ from those that characterized the take-off phase of today's developed countries substantially. It seems that developed countries decision-makers attempt to undermine the success of NIEO demands by starting a "technology race". This very rapid technological change may increase production in developed countries, the price to be paid takes the form of a continually high "creative destruction of capital", compensated by a high rate of accumulation and a low rate of consumption, and of a continual pressure for labour mobility and labour dequalification. Exactly, this is a prescription for maximizing, and not for minimizing human suffering of world partners. One should not hope for too much from making the very sophisticated Western technology the center of development effort in the Third World.
4. Technical Co-operation among Developing Countries (TCDC) as the Buenos Aires Plan of Action (1978) listed is a multidimensional process that should prove of decisive importance in enabling the Third World to free itself from some of the worst forms of technological dependence and do-

mination. The technological capabilities of several developing countries have achieved a level where their know-how, expertise and services, supported by supplies of machinery and equipment, can be effectively transferred to other developing countries at both the government-to-government and firm-to-firm level. A collective and joint action should be directed to the much needed technological reform, two major issues here are: (1) revision of the Paris Convention on the protection of industrial property and (2) establishing an international Code of Conduct on the transfer of technology. Some principal steps have been taken in the restructuring of international relationships in technology and strengthening the technological capacity of developing countries as part of the implementation of the NIEO. However, there is yet a long way to go in implementing NIEO objectives, this depends upon the desired degree of cooperation among countries in a region and differs from region to region, but their end targets should stress the importance and the need to handle the problem at national, regional and interregional levels.

5. The Arab Region as a part of the Third World countries characterized by the insufficiency and relative failure of technological efforts in the post World War II period and opposite to the new prominence that science and technology were gaining in the developed world. This situation led to focus the attention of the Arab Region Countries on science and technology activity and its policy problems. International and regional agencies, national science and technology institutions, groups of experts and political fronts also helped to publicize and spread this concern among the area's population. The Arab Region Countries massive dependence on foreign science and technology is an obvious fact of life. The unequal relations between developing and developed countries as far as technology is concerned are characterized by a one-sided nature of technological dependence manifested in a range of asymmetrical socio-economic features, the Arab region countries carry all these features in different degrees: (1) predominance of primary commodity production; (2) trade structures largely based on imports of technology and export of primary products; (3) limited national technology generation, reflected in low levels of R+D related to technology; few national inventions; low industrial outputs; (4) alien technology management; and (5) weak technology negotiating capabilities.

6. Efforts carried out on promoting co-operation in S+T and R+D in the Arab region expressed by government officials and professional circles under present formulae: (1) is not always regional in the real sense of the meaning; (2) has had limited effect on the promotion of indigenous capacity since concerned activities are mainly "centre oriented" and "institution concentrated"; (3) has matured and often been effected without close country consultation and involvement. Experiences in other developing regions with greater developed S+T and R+D capacities in a variety of fields leads to believe that co-operative programmes can improve the status of S+T and R+D in the region as a whole. It is considered obvious that the channels to improve capacities should be established alongside and be complementary to other national actions for such improvements. The status of S+T as well as R+D in the Arab region generally depend upon the status of manpower carrying out the responsibilities towards the very needed changes and particularly on the status of education. As many problems still facing the Arab Region in trying to meet their pressing demands for skilled manpower, the inadequacies in the existing educational infrastructure still characterizing the status quo of this crucial problem. Inadequacies in quantity, quality, content and distribution of education as well as of vocational and technical education and training, women integration in the educational process and participation in the labour force, and the "brain drain" may help explain the potential of co-operative efforts on S+T and R+D, establishing regional centres for S+T and R+D, as well as achievement of development plans targets in the region's countries.
7. The education in most Arab countries is being pressured to produce technical or applied skills that neither its infrastructure nor its personnel can possibly hope to accommodate over the next 10-20 years. Moreover, were policy-makers to orient entirely to this pressure, other important functions of education would be neglected in the process. These pertain to the preservation and extension of the Arabic culture per se. Emphasis on secondary school or university curriculums to carry the flag of modern appropriate and diversified technology mix and development would turn a blind eye to many long-run societal goals. A proposed interim approach could be significantly reduces the shortages of crucial skills over the next 10-15 years by: (1) drawing on the skills, education and know-how

of currently employed expatriates to teach on-site training courses; (2) enticing skilled Arab emigrants to return to their home countries to teach university, technical or extension courses, and (3) "bonding" of recent graduates for service in underprivileged areas.

V. SECURITY: DISARMAMENT - DEVELOPMENT - COOPERATION INTER-RELATIONS, AND THE NEED OF DEVELOPING COUNTRIES TO SETTLE REGIONAL DISPUTES - A REGARD TO THE ARAB REGION CURRENT PANORAMA

The chapter deals with a vital problem, which influences increasingly regional cooperation and national economic development.

1. An increasing proportion of the global output is devoted to the arms race has many adverse effect in the economy of all the countries involved. The deterioration of East-West relations promoted the global spread of the arms race in several ways. It has contributed to the difficulties in settling regional conflicts by peaceful means. It has increased the activities of certain Western powers and their local allies specially the U.S. in the developing countries in the framework of a global reactionary strategy, in Central America, Africa and other strategic regions. The Middle East is one of the strategically most important regions of this confrontation where the accumulation of weapons is still the fastest in the developing world. Unprecedented conflict and confrontations between two developing countries Iraq and Iran still ongoing and give a chance to divides the main forces in a strategically very sensitive, important and dangerous part of the world, conflict which destroys large material values and blocks chances of economic development coincided with broad regional and international implications. The armament expenditure of the developing countries in current prices during 1982 reached the level of 100 billion dollars, which is about one sixth of the global military expenditure. The growth rate of military spending in the past decade was faster than their economic growth and it has reached 4.6% of their GNP by 1980. So, an increasing armament race,

nuclear war threats, insecurity, and conflicts and regional disputes and tensions become serious and very dangerous key problems, problems of priority nature. The establishment of a NIEO cannot be achieved in a tense international situation and in the atmosphere of suspicion and hostility, since international cooperation requires more confidence from all the partners. Confidence can be established only in the atmosphere of security and peace.

2. Needless to say, the responsibility of colonialist and neocolonialist international division of labour for many grave issues in the developing countries gives no excuse for those problems and others, which are the consequences of internal policies (promised but never implemented reforms, increasing inequalities in income distribution, slogans but no real action in planning, resistance to the overdue institutional changes etc.). 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. If the external gains will serve only the privileged minority, they will not lead to real development, and will undermine any real change in the international system endangering both developed and developing countries and will destruct the principle of interdependency and mutual interests, co-existence and survival of all the partners.
3. In the Third World, arms race and arms inflows there, local wars have contributed to the production of the centre-periphery relations. The more sophisticated the imported armaments system and, what follows, the more complex the transfer is, the greater the intensity of dependence and the loss in income via military channels. In general, the more the military links, the foreign sources of supply, aid and technical assistance, the direction of dependence relations and of income outflows coincide in the military and the economic spheres of international relations, no doubt, the stronger will be the tendency of reproduction of the centre-periphery contradiction with all its consequences in world-economic disequilibria and structural deformations. Since militarization strengthens the nationalistic narrow-minded reactions to common world problems and sharpens the contradiction between national and international development, it also hinders progress in overcoming, but truly international efforts and co-operation,

the global diseases of the world economy. The extremely divergent nature of the developing countries is also shown by the process of how their position is shaping. Only in the years which have elapsed since World War II, always different regions became spots of tension. And as the tension of individual regions changed - which was at the same time often the indicator of changes in their economic-strategic importance - so changed the armaments ratios, too. The analysis by regions of both the military expenditure and of the arms imports presents a very relevant picture. The limitation of the growing armaments in the territories of the developing countries does not in the least diminish their security, just on the contrary. As on a world-wide scale, too, it is not the increasing armaments, but their restraint that would mean real security and make possible the release of vast, enormous resources for the accelerated promotion primarily of the development of the defence industry, nor the equipment of armies with the most up-to-date weapons that paves the way towards that goal. Changes in the qualitative dimension of the arms trade have been as significant as its quantitative expansion. In the past, most arms transferred to less developed countries were the obsolete weapons of the major powers which they wanted to eliminate from their inventories to make room for new more advanced ones. Often they were gifts from surplus stocks of overage, technologically inferior equipment. Thus many of the arms transferred to the Third World prior to the 1970s were still of the World War II, or early post-war vintage. The beginning of the 1980s witnessed a tendency toward a promotion of very sophisticated weaponry around the globe. The significant growth in the transfer of arms through co-production agreements adds a new dimension to the qualitative change. These enable states to acquire through licensing arrangements the knowledge to manufacture or to assemble a weapons system. More than two dozen developing countries now participate in such arrangements. A third change has been in the direction of the arms flows. Until the mid-1960s most weapons transferred went to developed countries, usually the NATO allies of U.S. or the Warsaw Pact allies of USSR. It was not until the war in South-East Asia in the second half of the decade that the dominant portion went to the developing world. Nor was the trend reversed by the end of the Vietnam War.

During the late 1970s the Gulf Countries and Middle East received by far the largest portion of arms. There are a number of new arms manufacturers within the Third World such as Brazil, South Korea, India, South Africa, and Israel that are developing their industries and actively seeking export markets. This is a relatively recent phenomenon. Two decades ago almost none of the states in Asia, Africa, and Latin America could produce arms indigenously. Arms production in the Third World is likely to continue to expand at a steady rate and is a new dimension of world politics. But, as these countries are mainly dealing in second-echelon technology, and in most cases cannot provide the political support the principal suppliers do, which is often part to the attraction of doing business with them, these new arms producers are unlikely to present a serious challenge to the major suppliers. A widely shared criticism of arms sales is that the recipients are purchasing arms with scarce resources which should be used for urgent economic and social needs at home. The Brandt Commission on North-South relations echoed this theme in its 1980 report.

4. The rapid growth in arms imports has evidently cancelled out most of the increases in development schemes and developmental aid, arms purchases have risen twice as fast as gains in development assistance. The developing countries that are not oil exporters have had a sharply rising external debt, yet continue to invest in foreign arms. Moreover, spending a military forces, even when modest as a percentage of the GNP, is often very substantial when compared to governmental spending on other, often urgent, needs such as public health, housing, or education. There is, therefore a solid basis for the belief that considerable amounts are being spent on the purchase of arms which could be better used for other purposes. The turn of many Third World Countries toward authoritarian military regimes, often as a result of coup d'état, raises doubts about desired and needed improvements. Thus arms race not only makes the ground for military conflict, heavy economic sacrifices and political division at the international level, it also seriously threatens democratic processes, and weakens those processes of social change which provide the only real hope for the future of mankind. Disarmament is the only alternative, which will save the world economy and pave the way for international peace and security. It will also bring about a change in the fate of more than half of the world's people

who are fighting for their basic needs. A true meaning of the term disarmament will be materialized only when the "Big Powers" would curb the expenses for military purposes, would release the resources for mankind's socio-economic progress. Disarmament would be the road to the welfare of mankind in the world, where, not a single moment can be passed now without the tension of being destroyed by the terrible danger of arms race.

5. Among the numerous recommendations of the Group of Governmental Experts on the relationship between Disarmament and Development requested by the UN General Assembly (September 1978 - August 1981), the group has also adopted a broad definition of security and development. Relating to the former, security is a wider concept than that of military security alone, economic as well as social aspects of this problem are of great importance. The latter, development, has a broad definition which, besides the need for sustained economic growth, would involve the opportunity and responsibility for full participation in the economic and social processes and universal share in its benefits as a result of profound economic and social changes in society. Economic security is in the centre of new concerns about security, it is now sometimes accorded priority, but, in fact, there are many relations and overlappings between economic and military security. Economic competition was often an important cause of war, and the asymmetrical economic relations between developed and less developed countries could only cynically be regarded as peaceful. Worldwide growth and prosperity pushed the concerns about economic security into the background; they were superseded by the political and ideological competition between East and West. Only the worldwide recession in the 1970s and the oil-crisis, which both drastically aggravated tendencies that had already been recognizable earlier, have led to a reevaluation and a renewed consciousness of threats to security from international economic developments. The disturbances of the world's economic stability, security and the distributional conflict stand in a completely new context of resource scarcity, population explosion, and ecological damage. So, there are old new and really new dimensions of economic security. New is above all the dimension of "full isometric": globalisation and interdependence. The double loss of function for the military instrument, the inter-

relationship between different elements of security, the interdependence in international relations, and the increased demand for control are the most important results and consequences of the changes in the concept of security for security planning. This will hardly come about without structural transformation towards more peacefully organized societies of the world system.

6. The situation in the Third World is still more different, as it has become the area of greatest instability. Many Third World Countries are involved in regional conflicts that require more arms. The largest accumulation of arms has been in the Middle East, generally in the Arab region, reflecting the high degree of tensions and a permanent state of war and the region's countries involvement in regional conflicts and disputes. Some observers had argued that the arms sales problem is solely a Middle East problem, but this is far too simplistic an analysis. Other observers have gone so far as to speak of the creation of a New International Military Order as an undesirable side effect of the yet-to-be-established New International Economic Order, it may more appropriate to term New International Security Order, as they condemn the militarization of the Third World as leading to a neglect of basic social and economic needs. Such characterizations are surely premature and misleading, for the developing countries remain far less armed than the advanced industrialized states. As the Arab Region reflecting the high degree of tension and a permanent state of war, in addition to the involvement of most Arab Countries with Arab-Israeli conflict, a very brief list of disputes in the region can be provided in the following:

- (1) Algeria, Morocco, and Mauritania, (Polisario) - Western Sahara dispute.
- (2) Egypt, Sudan, and Libya - severe relations and borders' threat.
- (3) Lebanon, Syria, Jordan, (PLO) - Arab-Israeli conflict in its broadest sense with a still disintegrations and disagreements.
- (4) Iraq-Iran war (the so-called Gulf war).
- (5) Gulf States - living under the shadow and threat and tensions of the ongoing Gulf war.

- (6) Saudi Arabia - its weight on Arab-Israeli conflict coincided with Gulf war.
 - (7) North Yemen, South Yemen, and Oman - an uneasy peace and Dhofar dispute.
 - (8) Somalia - the tensions in the African Horn and Ogaden.
7. As regional arms control has very its own difficulties, even if in the future it might also be possible to use regional institutions as a means to regulate the balance of armaments. Regional Co-operation among Developing Countries (RCDC) will not gain ground without approaching the Security Cooperation among Developing Countries (SCDC) which must in complement with ECDC and TCDC, an issue still act as a serious challenge to the concepts of establishing NIEO. Collective Self-reliance (CSR) hardly means something without collective solidarity and collective security. Developing countries owes such organizations carrying such responsibilities (e.g., OAS, OAU, ASEAN, AAPSO, Non-Alignment Movement, etc.). With respect to the Arab Region having such availabilities, the League of Arab States has to play its role of regional arrangements for the peaceful settlement of disputes between and among the Arab Countries, in parallel of gaining support and sponsored conditions with UN system agencies with the growing thoughts and ideas to establish regional disarmament and security commissions in co-ordination with regional economic commissions of UN system.

Publications, Lectures, Conferences, and Scientific Visits

Throughout 1977-1983, the author wrote some articles, studies and papers related to the subject of the dissertation, which all of them will be published on the forthcoming publication series of the Institute for World Economy, "Studies on Developing Countries", but all of them are already available to the readers in the Library of the Institute for World Economy, lectured in the University, participated some conferences, visited specialized agencies abroad.

Studies and Papers

1. The Arab Region Economic Cooperation and Integration (suggested researchable framework), Budapest, Institute for World Economy, 1979.
2. Some Problems of Technology Transfer in the Context of Present International Economic Relations (A paper presented at Conference of Egyptian post-graduates studying abroad held in London Feb. 12 - March 7, 1981), Budapest, Institute for World Economy, 1980.
3. Transnationals: Third World's Cancer, Budapest, Institute for World Economy, 1981.
4. Importance of the New International Economic Order, Budapest, Institute for World Economy, 1981.
5. "Military Security, Armaments, and Development in the Third World", Development and Peace, Budapest, Vol. 2, No. 2, 1981.
6. Complexity Nature of the Agriculture and Food Issues (The Arab Region an example), Budapest, Institute for World Economy, 1981.
7. Technology: Core Issue of NIEO Objectives and Co-operative Development in the Third World (with reference to the Arab Region), Budapest, Institute for World Economy, 1982.

8. The Arab Region and the NIEO, An Introduction at the Beginning of the Eighties, Budapest, Institute for World Economy, 1982.

Lectures

April 1 and April 14, 1981, lectured in Karl Marx University' of Economics to the postgraduates Institute about the problems of Development in Developing Countries and the NIEO Objectives.

Conferences

1. 1981, February 20 - March 7, participated the Annual Scientific Conference of Egyptian post-graduates studying abroad held in London and presented a paper at the Conference titled: "Some Problems of Technology Transfer in the Context of Present International Economic Relations".
2. 1981, September 25-26, participated the Conference of "International Meeting on the Interrelation between Disarmament and Development", Gárdony, Hungary.
3. 1981, November 11-14, participated the EADI General Conference (Emerging Development Patterns - European Contributions), Budapest, Hungary.
4. 1982, June 18-19, participated the "International Workshop on the New Stage of Global Arms Race and the Tasks of the International Peace Research", Budapest, Hungary.
5. 1983, March 30 - April 1, participated the Seminar on Development and New International Economic Order in the Context of the War Danger", Gárdony, Hungary.

Scientific visits

1982, October 10-30, visited the EEC, UNCTAD, GATT and ITC (there consulted with some officials and experts).