

Regional Forum on  
**The Arab World and Globalization: Challenges and Opportunities**

Prepared by  
The Lebanese Center for Policy Studies

## **General Report**

A conference on the theme: "The Arab World and Globalization: Challenges and Opportunities" was held in Tunis between November 30 and December 2, 1999. The Regional Bureau for Arab States (RBAS) at the United Nations Development Programme (UNDP) and the Tunisian Ministry of International Cooperation and Foreign Investment co-organized the event, while the Lebanese Center for Policy Studies (LCPS) was asked to undertake the substantive preparation for the conference.

About 60 Arab academic researchers, experts, intellectuals, and representatives of governmental and non-governmental organizations attended the conference, where the diverse trends represented produced a wide spectrum of Arab views on the various aspects and dimensions of globalization.

The conference included opening and closing sessions and nine working sessions, which focused on four main themes - in-depth treatments of the economic, informational, social, and cultural dimensions and impact of globalization in the Arab World.

Two sessions were dedicated to each topic. One session focused on a main working paper and three comments while the other involved a general debate and discussion of the related working paper.

Addressing the opening session were Fawwaz Fawq al-Ada, assistant secretary-general of the UN and director of the UNDP-RBAS; Ali Abdel-Karim, assistant secretary-general of the Arab League; Tunisian Prime Minister Mohammed al-Ghanushi; and Jordan's Prince al-Hasan ibn Talal. The following general discussion featured speakers Hamed Yousef Hamadi, Samir Maqdesi, Taher Kanaan, Abdel-Aziz al-Tweijeri and Mohammed Faeq.

The main working sessions dealt with economic globalization and the effects of trade and investment liberalization, information and communication technology, the impact of globalization on Arab social development, and globalization's cultural dimension. The main speaker at the conference's closing session was Tunisia's Minister of Culture, Abdel-Baqi al-Hermasi.

## **Introduction**

Globalization: the inevitable next wave of world development; the latest manifestation of western hegemony; a daunting and destructive political, cultural and economic threat to the Arab World; an unprecedented opportunity for seeing through much-needed and sweeping changes in the region - all of these aspects of globalization were taken up by conference participants. What is the Arab World's top priority in confronting globalization? Macro-economic policies that reduce the negative impact of absorption into the international economy? Undertaking a "revolution" in education that stresses computer literacy and Internet access? Re-structuring and equipping the Arabic language with the cultural and other tools necessary to adapt itself to the information age? The merits of these strategic choices and an understanding of how the Arab World is comprehending and experiencing globalization were taken up by researchers, experts and statesmen, who drew on a rich body of theory and practice to offer comments, advice and warnings about the decades ahead.

Not surprisingly, the issue of equity loomed large over the discussions. While few see globalization as a process that ensures a fair distribution of burdens and rewards, the central question of how to redress current imbalances sparked considerable discussion of the alternatives at hand: these range from undertaking reform to confront economic pressures, demanding guarantees from core countries to soften the

repercussions of the transitional phases, and opting out of the globalization process altogether.

In the end, the participants came to grips with a spectrum of issues resulting from globalization's impact on the Arab World. Has there been an accurate assessment of the costs and benefits, especially since globalization must be marketed to a pessimistic public? Are markets a means to an end or an end in itself? Many agree that increased freedom, democracy and participation should accompany the adjustment process, but on whose terms? There was considerable discussion of whether the Arab World is falling into the pitfalls that accompanied adjusting to earlier historical trends, such as modernization. Balancing between local needs and international requirements, with all the tension and conflict that this entails, frames the discussion as we come to grips with the rapid and unpredictable developments of the 21st century.

## **Opening Session**

We should face our future in light of the inevitable process of globalization. Although globalization prompts the world economy to take enormous steps forward, the resulting economic progress is not matched by tangible progress in sustained human development. The resources of most world peoples, including the Arab nation, remain static or make only incremental progress. These were the views of Fawwaz Fawq al-Ada, assistant secretary-general of the UN and director of the UNDP-RBAS, who addressed the opening session.

Globalization, he continued, is now increasing disparities as rapid and highly competitive growth in the international market imposes growing pressures on the economies of developing countries, including the Arab World. This threatens to undermine the achievements accomplished by these countries during the last two centuries. Developing countries, especially their poorer classes, may be subject to further marginalization, while equality and human security may become less available, thus aggravating social disintegration.

But globalization's negative aspects are not inevitable and should not lead to pessimism, especially in light of the potential benefits. These can be secured if states create regulations that take into account the abilities of developing countries and provide real chances for benefiting from economic and market globalization.

Ali Abdel-Karim then addressed participants on behalf of the Arab League's Secretary-General, Esmat Abdel-Meguid. Abdel-Karim, the league's assistant secretary-general, stressed the need for developing countries to mount a joint response to the challenges of globalization. The state's economic, institutional, and technological capabilities will determine whether the country can benefit from joining world markets, as developing countries must overcome their disadvantage in these areas compared to developed countries. International development efforts must be directed to help developing countries boost their competitiveness, or else global economic stagnation will result and weaken economic and social stability.

Abdel-Karim noted the threats to the state's role and the possibility of foreign cultural invasion, which may lead to the hegemony of certain cultures and the spread of behavior that is new and alien to the societies of developing countries. The state must preserve its basic role of controlling foreign and domestic relations; as they gradually relinquish their economic and social roles in favor of the private sector and market mechanisms, states must maintain the required social equilibrium. Therefore, globalization should not mean a smaller role for the state in achieving social prosperity.

Despite efforts by developing countries to adapt to world trade agreements and meet their conditions for competitiveness, these countries' exports to world markets still face several hurdles imposed by developed countries.

For his part, Tunisian Prime Minister Mohammed al-Ghanushi said that Third World countries could either interact positively with the requirements of globalization or ignore the "new facts" and bear the possible consequences of marginalization and lacking a stake in making history.

Al-Ghanushi underlined one of the principal regional strategies for combating economic globalization: the creation of a large free-trade zone, which has already attracted 14 Arab countries. This body will be crucial for providing Arab producers with new horizons and attracting foreign investment. Additional steps must be taken to realize Arab economic unity and achieve a unified Arab currency, like in the case of Europe. The Arab World, the third most homogenous bloc after China and India and the leading producer of energy, must carry out urgent reforms and achieve integration. The Arab World is part and parcel of the world; it must make the necessary efforts and formulate the approaches needed to establish "globalization with a human face," which takes into account the need of the majority of its people for a decent and balanced life. More than ever, we must strive for a new form of international relations that relies on comprehensive development and balanced forms of association and takes into account the specificity of developing countries and their concrete economic and social conditions.

At the end of the opening session, Prince al-Hasan ibn Talal stressed the need to overcome the Arab World's fear of globalization. Arab intellectuals fear cultural marginalization, but this fear should not lead to hostility and seclusion. We must deal with new facts with understanding and open-mindedness and increase the region's ability to make voluntary change. Arab culture, which gave the world the unique concept of human veneration, is strong and able to survive. We must face developments in our world by strongly relying on our historical achievements and heritage and continuing to develop our ability to achieve social change and encourage individual creativity.

In his view, globalization is a fact: if neglected, only marginalization and loss will result. Prince Hasan urged Arab intellectuals to engage in dialogue with their peers in other countries. Framing his argument under the slogan of "we are heading toward a single world with a single agenda," the prince said that this agenda should really summarize the contributions of all cultures and peoples and reflect the interests of all of us. In contrast, a unipolar world with a single agenda that reflects the interests and the values of a single civilization will be a world where oppression and marginalization lead to conflicts and war.

In our Arab World, the absence of a clear vision regarding priorities in fields such as economic competitiveness, information technology, and social development impairs our economic and social discourse. It is very important to achieve the necessary balance by establishing responsible communication between the base and the elite of our society. We need to strive toward a qualified and competent society and an integral Arab human being. We very much need to provide the right conditions to develop the non-governmental sectors of our society, on the basis of Arab and Islamic principles.

The human development formula means that efforts to improve living standards should also take into account forgotten indicators such as human rights and the cultural needs. In conclusion, Prince Hassan added, we should always deal with challenges on the basis of clear principles and relying on accurate data and relevant knowledge.

## General Discussion

Presided over by Tunisian Economic Development Minister Abdel-Latif Saddam, the general discussion session began with remarks by Hamed Yousef Hamadi, head of the board of trustees of Beit al-Hikma in Baghdad. Hamadi said that the topic of "Globalization and the Arab World" remains controversial.

In recent years two separate concepts have come to the fore. One considers globalization as an historical phenomenon similar to earlier geographical discoveries and technological revolutions, albeit one that put an end to ideologies. The other sees globalization as a new totalitarianism that uses all forms of political, economic, cultural, and technological tools to dominate the entire globe. However, the first concept does not answer the following questions: Why does the new world order terminate ideologies? Who benefits from this? Does it displace ideologies only or identities and independent development projects as well?

Hamadi added that the best theoretician for this controversial order might be Francis Fukuyama, who heralded the "End of History," and consequently, the end of ideologies and the dawn of an era of Americanization that would prevail in the world for an undetermined period of time. Moreover, during the era of Americanization, the United States – through the International Monetary Fund, the World Trade Organization (WTO), and the World Bank - will impose specific methods for administering Third World economies.

Hamadi argued that globalization is not about the use of modern technology in communications, but "the move from trade internationalism to production and capital internationalism under the leadership of core countries, and in the framework of an unbalanced world exchange system. "This system has its own tools, elements, and mechanisms. To grow, the system has to crush or remove all national or international obstacles in its way.

The system does not produce a multi-polar world or respect the sovereignty of countries; on the contrary, it seeks to interfere in each nation's domestic affairs and to break up and divide countries under false slogans such as the respect of human rights and democracy. The most recent slogan advocates a new concept of limited national sovereignty that America developed and imposed on the world community under the guise of "humanitarian interference. "It is being used in a way that seeks to domesticate minds and entice them to accept the American formulation of the concept. It aims even at redefining "national interest" and fabricating a "cross-border international right" that America uses to serve its own political goals. This policy has created instances of destabilization and a lack of security and development in many parts of the world.

Independent Arab globalization may be hard to attain due to the absence of the necessary political will; this might be the case also in most Third World states. Arab and other developing countries must subject their relations with the industrialized world to the needs of national development, and not vice-versa, while increasing international cooperation.

Dr. Samir Maqdesi, a former minister of economy in Lebanon and director of the Money and Banking Institute at the American University of Beirut, focused on some of globalization's cultural aspects, against a backdrop of fear by some that Arab culture might be absorbed a unilateral, global culture.

The broad concept of culture includes all fields of knowledge, sciences, arts, and law, in addition to human values, habits, and behavior. He pointed that Arab society, like all societies, should preserve its own cultural character, irrespective of international interaction between the world's various cultures.

Setting his argument in terms of the need to distinguish between cultural interaction and cultural subordination, Maqdesi said that Arab countries must focus their efforts on strengthening the cultural, educational and social basis of their societies.

To face economic globalization, Arab countries must secure a transitional period, so that they can enter the open world economy smoothly. The call for an open world economy came after industrialized countries managed to build their own industrial and technological strength during long periods of protectionist policies. For their part, developing countries are urged to open up their economies though they did not have yet the time to build up their industrial and technological abilities. It is also crucial that developing countries consolidate their cultural assets, which must be constructed on foundations, such as basic freedom, political democracy and social justice.

The rush to join the wave of globalization was also critiqued by Jordan's former Deputy Prime Minister, Taher Kanaan. He said that Western elites advocate direct and complete integration in world markets. Unfortunately, we respond to this call without any reservations. Many Arab countries have forged partnership agreements with the European Union and many other Arab countries are seeking membership in the WTO. But they are hurrying to forge partnership agreements without any coordination, justifying this policy on the hope that integrating with world markets will attract foreign investments and, in due course, technology. However, the largest proportion of investment and trade takes place among developed industrialized countries, and not between developed and developing countries. First World investments in the Third World are motivated by greed in large markets, natural resources, or cheap labor.

Kanaan said that small Arab countries will not be attractive to foreign capital unless they create a large open market - the priority is not only to establish an Arab free-trade zone but also to progress quickly from such a zone to a customs union and then to an Arab common market, the most suitable economic response to the challenge of globalization.

On the cultural level, Kanaan pointed to what he described as a possible dangerous consequence of unorganized and unregulated openness to modern communication means by developing societies. Before cultural globalization is allowed to wash over Arab societies, they should go through an organic and gradual development process. This requires a revolution in education, which in turn must be carried out by all social sectors, not just education specialists. Also, a historic conciliation must be reached between Islam and modernization by continuing the revival movement that was launched by the pioneers of Arab Renaissance in the late nineteenth century.

Abdel-Aziz al-Tweijeri, director-general of the Islamic Educational, Scientific and Cultural Organization and secretary-general of the Union of Islamic World Universities, began his remarks by reviewing historical developments in the last century. After the collapse of the Soviet Union and the emergence of a single pole, globalization was promoted by some as the solution for humanity's misery and predicaments. However, he argued, achieving global power is the true goal of the dominant pole and for that power, globalization is mainly a means of hegemony.

To rid globalization of non-humanistic trends, we must rely on international accords, international law, and the Charter of the United Nations Educational, Scientific and Cultural Organization. This way, globalization could be stripped of its current deficiencies, i.e. serving the interests of a single great power. Also, the right to enjoy cultural diversity will be respected internationally only if more explicit dialogue between cultures and civilizations does take place, and develop. This inter-cultural dialogue should consolidate accord and coexistence between people of different civilizations and

support international cooperation through existing global and regional organizations. According to al-Tweijeri, this could be the framework of a fair globalization.

At the session's conclusion, Mohammed Faeq, secretary-general of the Arab Human Rights Organization, said that, in the era of globalization, what the world needs most is a plan to unify peoples and nations. The plan should propose a collective charter for all peoples while at the same time asserting that they are in charge of their own affairs. There is no better plan than that included in the original charter of the United Nations, which seeks to achieve peace and progress for all peoples.

Globalization, in his view, is made up of two dimensions. One is materialistic and resulted from the huge progress made in science and technology and the consequent revolution in communications and information, such as electronic media and satellite channels that make people feel that they are seen and heard by one another. Being irreversible because it is technological, this progress has reduced distances and removed the obstacles of time and place, thus encouraging exchange between peoples. It was supposed to develop dialogue between all cultures and religions, but unfortunately, what we hear is talk about clashes between civilizations and religions. Thus, the problem is not technological development, but the way it is been used.

The real tragedy is that we now treat the market as a goal in itself not as a tool to serve humanity. It has been imposed on several societies, irrespective of their conditions and their ability to adjust to the new situation. This led to the accumulation of huge problems in many societies, such as increasing economic disparities and wide unemployment.

On the other hand, Faeq added, we have a contradiction when we demand that states respect human rights, democracy, and good governance, while the international society is still undemocratic and dominated by one country or a group of countries that practice highly selective policies and use double standards. He called for differentiation between internationalism and globalization. Internationalism does not seek to reduce or eliminate the state's role. Its requirements cannot be carried out except by a strong state.

Faeq concluded that Arabs do not have another option than seeking to become a large collectivity, as there is no place left in this world for small entities. But Arabs cannot become a large entity if they do not come up with a creative and endogenous plan that relies on the most important assets that they have in common, without relinquishing their diversity, a true source of richness.

## **Economic Globalization**

Raed Safadi, a senior Arab economic researcher at the Organization for Economic Cooperation and Development (OECD), presented a paper that emphasized enthusiastically the advantages of liberalizing trade and investment. He strongly advocated the benefits of economic liberalization for the world and the region. He urged to remove the many obstacles to additional liberalization in trade and investment in the Arab World. Safadi divided his paper into four sections: Boosting Market Liberalization Benefits, The Costs of Protectionism, Integration Founded on Trade and Direct Foreign Investment, and The Way Ahead: Boosting Popular Support for Trade and Investment Liberalization.

Safadi outlined a series of benefits from economic openness, which should lead to developing the relative strengths of each country that seeks to enter the international system. He argued that free trade and investment help diversify the economic options, motivate each country to invest in its comparative advantage and expand the

geographical space of competition. Safadi then highlighted the role of export-oriented sectors in increasing prosperity. For example, the productivity of export-oriented sectors in the US are 40% higher than the productivity of the industries oriented to the local markets, and the salaries are 13% higher in the former sector. In contrast, Safadi argued, protectionism has negative results for consumers and producers, such as increasing the prices of the imported as well as the local products, restricting the consumers' choices and reducing quality.

Safadi then argued that free trade and flow of foreign investments help create deeper economic integration. For him, free and open markets help achieve economic growth, improve the standard of living and reduce poverty. In addition, the increasing flow of technology and information exchange is a main driving force to such integration.

Commercial and market integration has led to deeper but also more democratic forms of economic interdependence among countries. More developing economies, previously run by authoritarian and protectionist governments, are now closely tied to the world economy. Ties between developed and developing countries have never been as close as they are today. Developing countries depend now on member-countries of OECD to sell 60% of their exports and buy 47% of their imports. However, there are many instances of disillusionment that opponents of market liberalization rely on in their campaign against policies of openness. If the process of trade and investment liberalization were truly as bad as some people describe it, it would not have been successfully adopted by so many countries in various parts of the world and of different development levels. Opposition to the process of market liberalization has two sources. One involves beliefs that trade with developing countries negatively impacts living standards in developed countries; that exports are good and imports are bad; that trade deficits are bad; that manufacturing is the most important process, that globalization is meant to create new jobs; and that trade and investment liberalization will lead to immediate changes. Safadi responded to all these, that he considered false economic assumptions. The other source of opposition is the political and economic problems that governments face when they try to "market" free trade as a goal to their reticent public opinion.

He concluded by calling on advocates of market openness to dedicate more time and effort to convince people and their political representatives that concerns over trade and investment liberalization are forcing societies into a destructive race. These pessimistic forecasts are generally unfounded or, to a large extent, exaggerated.

In response, Dr. Samir Maqdesi commented that Safadi's defense of trade and investment liberalization policies did not include sufficient demonstration of these policies benefits, particularly for developing countries. He also objected to the fact that the presentation did not focus enough on how globalization specifically affects the Arab World, which is the purpose of the conference. On the other hand, Maqdesi agreed that there is a relatively solid correlation between openness and growth. Technological exchange, he also said, helps developing countries boost their competitiveness. But economic liberalization requires proper macroeconomic policies and suitable laws, in addition to developing local financial markets and infrastructures and achieving political and institutional reforms, among other things.

Dr. Mona Shirqawi, an economist from Morocco, also noted that most of the figures provided by Safadi covered developed countries only, while ignoring the specificities of developing countries. Furthermore, Safadi did not specify the size and scope of efforts required to advance trade and investment liberalization, and that these costs differ significantly between developing and developed countries. Shirqawi argued also that it is important to distinguish between the short-term and long-term repercussions of trade

and investment liberalization in order to better understand the conditions and the means for reform.

The third comment came from Dr. Zukaa al-Khalidy, of the Technical Programs and Cooperation Department at the Economic and Social Commission for Western Asia (ESCWA). She asked whether trade liberalization is important because it is a good idea or because it is a good practice; she pointed out that successful industrialization experiences took place under international protectionist policies. Many researchers believe that the two world wars broke out mainly because of economic rivalry stemming from struggles for markets. After World War II ended, capitalist countries, to avoid the recurrence of the struggles, created the Bretton-Woods Institutions and international trade agreements. Khalidy said that if a third world war were to break out, it would not be between the East and the West over ideological and political issues but between the countries of the West themselves. She predicted that the new world trade order would not achieve the principle of mutual benefit, primarily because of the gaps in economic, industrial, technical and scientific development between developing and developed countries. The latter, under the cover of the WTO, manipulate the system to achieve particular benefits. For example, cheap labor in developing countries is a comparative advantage, but developed countries seek to punish developing countries that use these advantages to their benefit. Thus, opening markets and globalization do not bring about development - most developing countries, including Arab countries, enter international markets without making an accurate calculation of the cost and without taking into account the long-term impact on national production.

Discussing Safadi's paper, some participants defended trade and investment liberalization as an inevitable historical development, while others said that economic openness was not a magic wand that can alone bring about the development sought by Arab countries. The conditions for a successful economic openness policy in the Arab World require that this policy be gradual and take into consideration the characteristics of each Arab country. A single prescription does not apply in all cases. Safadi's paper was also criticized for considering trade and investment liberalization as needed to achieve growth and that the new world trade order would achieve mutual benefit for all parties. The growing gap between developed and developing countries on economic, as well as scientific and technological levels does not help achieve mutual benefits. The most recent UNDP report on human development pointed out that more than 80 percent of world trade and investment profits goes to North America, Europe, and Japan, while 70 percent of the world's population does not receive more than 10 percent of these profits.

Discussion finally focused on the challenges of the current historical stage that will affect the Arabs whether they like it or not. As most participants acknowledged, the issue is not whether to liberalize trade or not; it is how Arab countries prepare themselves to join the world economy, keep up with international trade developments, and build up aspects of strength.

## **Information and Communication Technology**

Dr. Antoine Zahlan, a recognized Arab expert in science policies, led the session by focusing on the uses of modern technology in information and communication. He also discussed the level reached by the Arab World in this field, in comparison to industrialized countries. He finally reviewed the opportunities available for the Arab World to accelerate its adaptation to the era of information and communication technology.

Zahlan noted that scientific developments in the last 200 years led to several qualitative leaps in economic activity and many social-economic-political changes on the international level. But Third World countries have not made any significant gains; they tended to increase their consumption of selected goods instead of seeking to increase their scientific and technological abilities. The key to participation in the industrialized world's revolutionary progress is science itself, not its products.

Scientific and technological progress has become increasingly tied to modern universities, new higher education fields, new information and communication services, new financial services, and new research centers. Scientific institutions now represent the infrastructure of contemporary scientific and technological progress. Technological progress in computer, transport, communications, and administration fields paved the way for industrial firms to operate on an international level. The computer has become the technological heart of the Third Industrial Revolution; it has replaced the human brain in an incredibly large number of functions. This replacement was similar to the steam engine's being substituted for muscle power in the 18th century. Combining computer and wireless communication technologies gave birth to the new technology of information mobilization and mobility, which led to critical changes in various fields, such as education, agriculture, medicine, geology, finance, meteorology, and astronomy.

The system of production and relations that provided the infrastructure for these changes has come to be known as the science and technology complex. Zahlan added that the radical transformation of the relationship between the inventor and the invention has changed the nature of technological change. Nowadays, the inventor, not the bureaucrat or the investor, as was the case before, leads economic growth.

The ability to benefit from the new information and communication technology depends on the degree of an economy's reliance on science. Thus, the Arab countries' ability to benefit from the opportunities provided by this technology relies on the quality of education and research in these countries, on their legal and financial systems, and on their technological and scientific development policies.

Zahlan then assessed the level of information and communications technology in the Arab World. Statistics show that Arab countries do not suffer from a lack of human resources as much as from the absence of the policies needed to benefit from scientific progress. He reviewed a number of indicators, including university education, use of information technology, research and development, the geographical distribution of research and development, the local, regional and international cooperation in research and development, technological dependency, and finally the widening gap between the Arabs and the world.

For the first indicator, Zahlan showed that universities are multiplying and graduates are increasing in the Arab World. The number of universities increased from 8 in 1950 to 180 at the end of the twentieth century. Around thirty thousand engineers graduate yearly from these universities while the total number of Arab university students reached three million in 1996, increasing by 8% each year. Yet, brain drain continues to afflict Arab countries since around two million Arab graduates are working abroad. In the field of research and development, the Arab World has 600 research centers in 150 universities that produced 7000 scientific articles in 1995, up from 465 articles in 1967.

Yet, the problem is the limited practical and economic use of such scientific capabilities and the uneven geographical distribution of such production among the Arab countries. The Arab Emirates for example, produced 88 research articles for one million citizens while Egypt produced 33 for one million. This is mainly due to the insufficient contribution of the state to scientific research and to the difference in the level of wages for university professors. Arab cooperation in the field of research and development is

still minimal compared to international cooperation. Of 1264 papers published by Algerian, Tunisian and Moroccan researchers in 1995, 804 were authored jointly with foreign experts. Arab countries also lack policies that encourage technological self-dependence, the preference for national production and the enforcement of international manufacturing standards and regulations. Internet use in the Arab World is one percent of that in the United States and 2.2 percent of that in the European Union. There are some 200,000 Internet subscribers in the entire Arab World, compared to 520,000 in Israel.

To improve, Zahlan said that Arab societies must encourage creativity, set up productive scientific and technological systems, adopt policies to increase economic growth, modernize educational and research systems and retrain their work-force for the information age. In short, they must effect a sweeping scientific revolution, instead of spending their incomes on merely purchasing advanced products fabricated by the West and the South-East Asia. (The Arab World spends \$50 billion yearly on the purchase of information technology mostly for military purposes).

Commenting on Zahlan's paper, Dr. Sami' al-Banna, chief engineer at the Computer Science corporation in Washington, D.C., predicted that in 10 years, the Internet will become a mode of life and work in all fields. This means that the full Internet era will be reached very quickly, without conditions, and at a low cost, contrary to the current trend in the Arab World.

Al-Banna said that the principal challenges faced by the Arab World in entering the era of information and communication technology, is to provide cheap and efficient services, protect consumers, eliminate various political and administrative obstacles, and increase social accessibility to the Internet. Arab countries must also develop quickly human resources by carrying out special programs and supporting educational renewal. They should also improve their means of communication with foreign markets, as well as come out with new approaches to Arab integration by encouraging scientific cooperation, the unification of standards, the creation of common markets, and the merger of Arab companies.

Dr. Mustafa al-Masmoudi, president of the Tunisian Institute for Mass Media, presented the second comment on Zahlan's findings. Al-Masmoudi indicated that despite reasonable optimism, the power of digital technology will produce fear if all legitimate concerns are not taken into consideration. Today, we have only a series of questions, such as how to guarantee national security, how to protect personal freedoms, or how to re-organize the labor market without further disrupting its balances, increasing unemployment rates, or forcing people to leave their jobs.

On the political level, there are threats to national sovereignty and independent decision-making, by great power as well as abusive multinational corporations, and there is an absence of checks that would safeguard freedom of expression and virtuous ethics. On the socio-economic level, access to communication networks will not be comprehensive until economic and technical problems, including high costs, are overcome. Broad communication networks will not be successful or lead to general prosperity unless they start providing all kinds of tangible services to the public at large, and these services gain the support of all segments of society.

Regarding social challenges, al-Masmoudi said that we should focus on the Arab's future status in a quickly developing economy. Will we be able to adjust to new work methods? Will the information revolution increase unemployment among our middle-aged people? Some jobs and fields of activity will certainly disappear and other jobs and activities will come into being. But we may find out with practice that we will be able to adjust to the new conditions as we did in the past. Statistics showed that in 1990, over

500 types of jobs in the United States did not exist in the beginning of the 20th century. It is now impossible to predict which jobs will disappear in the future and which new ones will be created.

Al-Masmoudi argued that the new world order seeks to globalize education after it globalized trade and industry. He referred to the findings of Talal Abu Ghazala, who predicted that within 10 years, more than 30 percent of annual spending on education in the Arab region will go through the Internet. Unless they quickly develop their national educational systems, Arab administrations will lose their ability to control events and will be replaced by international organizations and global educational firms.

Al-Masmoudi also spoke of the cultural threat of globalization, and the possible distortion of the Arab heritage. He noted that 70 percent of the information in modern communication media are exclusively in English. The share of Arabic is minimal. We should be able to access international scientific and intellectual production at minimal costs, without any protectionist hindrances. On the other hand, we have to protect our cultural production and seek to export it in order to publicize our history and cultural values and we should try to raise funds to market our cultural production. Negative uses of the Internet could include calls for religious extremism and for killing those who reject this extremism. There could also be users that advocate violence, racial hatred, and drug addiction. This is the big challenge posed by the Internet worldwide and inside the United States itself.

Al-Masmoudi spoke of the considerable similarity between the issues that were raised when new informational and economic world orders were suggested 25 years ago, and the issues that are raised today as a result of the information society project.

Despite the difficulties, the last quarter-century has seen many achievements in developing countries that accepted openness as part of a wise strategic policy. Many problems are still pending however, including strong imbalances in the distribution of information and news media. More than two-thirds of the world's population does not know what a computer is; this majority has not yet an access to a telephone or a television network.

The second commentator was Dr. Hassan Risha, an engineering professor at the University of Damascus and currently the minister of higher education of Syria. He stressed the need for more funding for scientific research and development, but indicated that more funds require a stronger economy. A stronger economy depends on science and technology. Thus, there is apparently a vicious circle here that needs to be broken.

Risha highlighted the concept of "electronic herd," which describes the companies and the individuals who control the international economy. This "herd" seek investment in countries that have endorsed globalization.

In the resulting discussion, participants expressed fears about the future of Arabic and other languages under globalization, and discussed whether some sciences are in fact difficult to deal with in Arabic. Also, participants mentioned that communication technologies could broaden the scope of political choice and pave the way for pluralism and freer access to information. But these technologies can, on the contrary, allow a small group to monopolize news and communication means, limit the diversification of contents, restrict public benefits, and reduce the possibilities of free expression to their bare minimum.

Some participants said that the Arab World does not suffer from a shortage of scientific research organizations as much as from a failure to use more efficiently existing organizations. Developing information technologies in the Arab World is

hindered mainly by a lack of sustained public and private demand for scientific research and information.

Technological development is not a sufficient condition for achieving development. Information technology, especially when it comes to computers, can accommodate itself to backward conditions in the Arab World and the rest of the Third World. The Arabs are not doing enough to locally ground and endogenously develop technology. They usually resort to foreign companies to build and run their domestic institutions instead of developing these institutions themselves.

Participants suggested the formation of an Arab scientific lobby of the many experienced Arab expatriates, that would link to the Arab World and its research centers and universities, and systemically organize the transfer of scientific experiences. They argued finally that developing human capacity in the region by various means is crucial for achieving scientific and technological development.

### **Globalization's Impact on Social Development in the Arab World**

Dr. Leila al-Khawaja, a professor of economics at the Faculty of Economy and Political Sciences of the University of Cairo, gave a presentation on the social impact of globalization in the Arab World, as well as the social policies followed in some Arab countries to counter the negative consequences. She put forward some proposals to reduce globalization's negative impact on the Arab World.

Al-Khawaja pointed out that globalization is not a sudden phenomenon that surfaced in the 1990s; it is a complex and cumulative process that started to take shape gradually as a consequence of the changes that affected the world economic order in the early 1980s.

Al-Khawaja analyzed globalization's social repercussions by focusing on developments in labor markets and employment conditions in Arab countries. Arab economists are still divided over the nature of globalization's impacts on employment and the work-force. Some economists underline the Arab countries' potential to create productive jobs after reversing the narrowness of markets and demand that prevailed under former protectionist policies. Other economists focus on the negative repercussions as a result of technology's rapid progress, which decreases reliance on labor in general and low-skilled labor in particular. Also, for many, globalization could just export unemployment from one country to another and direct foreign investment is not currently attracted to countries with cheap labor. Low- or average-skilled labor usually loses their jobs to highly specialized vocational and technical labor, and this is not necessarily to the benefit of current Arab labor markets.

Al-Khawaja said that since the early 1990s, Arab labor markets have suffered from increasing open and disguised unemployment, lower employment rates, lower real salary averages, and increasing share of employment and decreasing incomes in the informal sector. This situation led to sharper poverty and larger numbers of impoverished people in the Arab region as a whole. In the mid 1990s, unemployment rate reached 15% in Egypt and Morocco and 20% in Algeria, Jordan, Yemen, Tunisia and Lebanon. Employment in the informal sector is 30 - 35% of the total labor force in Egypt and 35 - 45% in Yemen. She concluded a survey of conditions regarding employment, wages, informal labor markets and poverty by saying that higher globalization rates were accompanied by the deterioration of human development indicators and processes in most Arab countries. More dangerously, she said, if current conditions are maintained, the chance to achieve higher levels of human development in the region is going to be much weakened.

Al-Khawaja indicated that governments felt obliged to follow new social policies to limit the repercussions of these negative social trends and lessen their impact. Empirical studies have shown that structural adjustment policies exacerbated poverty levels and brought into being new groups of poor people whose living standards decreased under the direct influence of these programs and other economic policies. Consequently, social safety networks were introduced to give these programs a more human face. Focusing her remarks on case studies from Tunisia, Morocco, Jordan and Egypt, she suggested that recent social safety programs should have been more comprehensive, taking into account the economic and social frameworks of each Arab country. The main goal should be to increase every country's ability to provide basic social services in health care, education, and housing, at a suitable and sustainable level and to the overwhelming majority of the population. Thus, current social safety networks are not a sufficient mechanism to significantly reduce poverty, unemployment, or marginalization. These networks do not solve structural problems or deal with their basic causes as much as they seek to contain the negative impacts of structural adjustment programs without affecting the programs themselves.

In the third and final part of her presentation, al-Khawaja discussed new social policies in Arab countries under globalization - policies that require comprehensive planning and suitable economic, political, and social conditions. She suggested that radical changes be introduced to Arab economic structures to enhance their diversification and to increase the share of the most productive activities in the gross national product. Also, the required growth should create enough jobs. Arab countries should seek high economic growth rates to face the negative impact of globalization and should distribute the benefits of this growth more equitably, after a less-than-satisfactory record in this regard during the 1990s.

One obvious priority is human development, and she suggested a focus on upgrading the knowledge and capacities of Arab human resources and creating appropriate structures to employ these resources in the production process benefiting from the enormous technological developments underway throughout the world. Arabs would concretely benefit from globalization instead of bowing passively to its negative aspects. Al-Khawaja pointed out that human development relied heavily on education and research. High rates of failure and drop-out, along with weak and declining analytical and inventive abilities, show that the internal efficiency of Arab educational systems is steadily deteriorating. She also outlined the insufficient level of expenditures on scientific research and development. The average expenditure in the Arab World is 0,02% of the Gross Domestic Product and among 1000 working Arabs, only 0,3 engineers and scientists work in research and development. In addition, political reform is needed to give all social groups, especially poorer ones, better opportunities to participate in the process of national decision-making.

Al-Khawaja concluded that her proposals require a new "social contract" that establishes a new set of relations between the state, the private sector, and NGOs. Relations should be characterized by integration between these partners, not exclusion or competition. The state should play a more pro-active role, the private sector should play a social role, and NGOs should play a larger role.

The first comment on al-Khawaja's presentation came from Dr. Nadim Karam, dean of medical sciences at Balamand University in Lebanon. He said that social apprehensions resulting from globalization should not be taken lightly. The issue becomes even more difficult when it is discussed in the complicated framework of the Arab World.

Karam said that the Arab World's political and social weakness result from a culture of silence, condemnation, acquiescence to the status quo, and living one day at a time.

Those who reject this situation have either to emigrate or face displacement, marginalization, or isolation. This is true for many scientists, researchers, and innovators in the Arab World, as institutions are being transformed, either shortsightedly or deliberately, into tools for maintaining the status quo and avoiding accountability. Control is exercised through the financial and the decision-making levels of institutions. This makes one wonder if development can be achieved in such a social and political environment.

Karam added that concepts such as globalization, development, and social impact cannot be discussed without taking into account the experience of international organizations, especially those of the United Nations. A common mistake, however, is often our tendency to rely very much on these institutions without taking enough domestic initiatives and devising supporting frameworks that allow the region to make the best use of any financial or technical aid.

While Karam described the situation as deplorable, he said that pessimism is not inevitable. We must admit that the negative aspects of our social systems cannot be changed quickly or in the foreseeable future. Positive change is possible if we adopt a long-term and cumulative approach, within a strategic framework, in which we are proactive, not re-active. The West has achieved its current status thanks to cumulative efforts that took hundreds of years.

Karam also underlined that one of the most important conditions for coping with globalization, is that Arab universities be given real independence, in order to secure the necessary academic and research freedom, breed democracy within the youth and develop a large basis for social creativity.

The second comment came from Dr. Jawad al-Anani, a member of Jordan's Senate. He argued- that al-Khawaja's views were that of a social researcher who believes that economic and social conditions in the Arab World are too important to be left to economists or politicians alone. She has argued that each of the two groups alone has limited visions and a bureaucratic mentality that could turn Arab societies into victims of globalization, instead of beneficiaries of the new order.

For Al-Anani, al-Khawaja's arguments about the need to combat the impact of globalization did not involve a call for a revolution or a call on marginalized and poor sectors to conflict with other sectors. Al-Khawaja actually called for institutionalizing social accord and dialogue to pave the way for sustained development, equitable distribution, and comprehensive security. He also argued that al-Khawaja's discussion of the causes of social deterioration in the Arab World did not elaborate sufficiently or convincingly on the conditions that prevailed in Arab countries before globalization reached us.

For him, it was no coincidence that the early stages of globalization were linked to the explosion of the indebtedness crisis and a bigger role for the IMF and the World Bank. Most Arab countries at the end of the 1980s faced difficult economic conditions, which were more dangerous than the current circumstances. Economic crises linked to lower oil prices were not conjunctural but resulted mainly from fierce inter-state wars, extravagantly large investments, and expensive inter-Arab arm races. He asked whether globalization brought problems to the Arab World or merely revealed existing problems?

Many reform elements in al-Khawaja's views are part and parcel of restructuring and economic adjustment programs advocated by al-Khawaja in spite of her rejection of the current globalization model and her call for reformulating it. Terms like governance, social protection, civil society, NGOs, are "mental idols" that we quote, both in form and meaning, from the literature of globalization.

Anani agreed on the need for an integral economic and political program that radically redefines ties and obligations between rulers and ruled in the Arab World. Without such a program, economic reform will remain deficient, he said, pointing out that Arab rulers still speak of “permitting democracy” and “accepting wider representation.”

The third comment came from Dr. Saad Belqazi, director of the Abdel Aziz Bilal Center for Studies and Research in Morocco. He supported al-Khawaja’s call for developing human resources by allocating more funds to education and research. He also commended the political reforms that the researcher said were needed such as wider democracy, more participation in decision-making, enforcement of human rights, separation of political powers, and decentralization. Belqazi endorsed al-Khawaja’s argument that these reforms were basic conditions for any plan to limit the wide spread corruption and devise a new social contract between the private sector, the public sector, and NGOs.

Belqazi added that the impact of globalization on the Arab World differs between countries that have implemented structural adjustment programs and countries that have oil resources. In addition to al-Khawaja’s efforts to reveal the relationship between globalization and local social trends, the internal causes that intensify these problems must be analyzed. Belqazi attributed many problems to internal structural causes, like national taxation systems, levels of qualification of the manpower, weakness of the small and medium enterprises and he called for making further efforts to analyze such causes.

Discussions of the social repercussions of globalization focused on several problems confronting the Arab World under globalization. Some participants blamed mainly internal factors for the problems of Arab countries. For them, most problems were caused by extensive corruption, superiority complexes, social exploitation, the lack of transparency, the absence of civic participation, the squandering of resources, the nature of public expenditures, and large spending on arms at the expense of development. Participants noted that many of these problems affecting the Arab World did not result from globalization but actually existed for a long-time.

Many advocated the use of globalization new technologies to empower and broaden the knowledge of all groups in Arab societies. Also, Arabs need to enhance regional ties and reinforce the weak linkages and poor cooperation between their universities, professionals, and practitioners, to better serve the needs of their societies.

To face the challenges of globalization, we need to significantly increase the general level of civic participation in our societies, a process that requires the active collaboration of all citizens and institutions. Societies that have achieved successes are those that created a degree of social trust and balance between all institutional sectors, gave each sector a role in the development process, and allowed each group a certain level of participation in decision-making.

However, some participants asked if the new globalization order will really pave the way for such participation by limiting the current ability of Arab rulers to apply laws haphazardly and repress advocates of reform and participation. How much of a role will society be able to play under the new order? How much of an acceptance will Arab authorities show for participation and accountability? Also, the economic role of the state was the focus of much discussion. Views ranged between the need to disengage the state from large economic activities and the need for maintaining a significant economic role for the state.

Discussion partly focused on privatization and its social repercussions. Participants were divided into strong critics, strong advocates, and those in the middle, who said privatization should be carried out only under certain conditions, to prevent the

acquisition of large properties by a social minority and the formation of private monopolies.

The issue of labor policies led to conflicting views. Some participants said that social employment experiences in the Arab World failed after governments became unable to bear their heavy burden. Others said that globalization has already produced a group of socially excluded people, namely workers laid off due to weak productivity and skills. They urged governments to integrate the excluded again through retraining and rehabilitation programs.

Finally, participants called on researchers to carry out more field and comparative studies to provide a better understanding of how Arab societies are concretely experiencing globalization.

## **Globalization's Repercussions on Arab Culture**

The fourth and final theme focused on globalization's impact on Arab culture. George Tarabishi, a prominent cultural critic, discussed the heated controversy triggered by globalization among Arab intellectuals, irrespective of their ideological backgrounds, and referred to a similar controversy in Western literature. Tarabishi called on those who discuss globalization to specify exactly what they mean by this modern term. In his view, globalization should mean the world's gradual transformation into a single entity, beyond the mere globalization of the economy, the mass media or the cultural industries. This world has constituted before a group of worlds, separated not only by geographical borders but also by linguistic, religious and ethnic borders.

However, the world that is being apparently unified by globalization is not necessarily fulfilling the conditions of unity. It is instead simultaneously becoming a more developed world and a more backward world, a world that produces abundantly knowledge and information on one side and a world that does not even have enough ability to consume knowledge and information on the other side.

Tarabishi argued that globalization did not reach the Arab World as a phenomenon, but primarily as a concept. It did not appear in the region's financial markets, trade regimes, or share-holding companies, but rather in the heads of Arab intellectuals. It is in the first place the product of intellectuals and intended for their consumption. He added that since the Arab renaissance, the function of Arab intellectuals has been, to a large extent, to control discourse rather than assert facts; concepts rather than reality, and minds rather than substance.

He compared attitudes of Arab intellectuals regarding globalization to those they took in the past towards some aspects of the capitalist system. Most of what is being said today is a repetition of what was said previously regarding cultural invasion, imperialism and dependence, as well as modernization, which was often described as an invading foreign notion. Arab intellectuals, by conceptualizing globalization as a sweepingly invading phenomenon, tend to receive it with fear and animosity. This fear leads them to attitudes that could be described as "exorcistic." They deny that globalization is a historical inevitability, or at least an objective outcome of capitalism's entry, as a prevalent world system, into a new stage of development. The Arab intelligentsia's dominant representations render globalization almost akin to an evil spirit. Many factors have complicated the relations that link Arabs to their era, including collusion between modernization, on the one hand, and colonialism, Israel's implantation in the region, and the Gulf war, on the other. The "ideological dust" stirred up by many Arab writers in the face of the onset of globalization is preparing the ground once again for misunderstanding.

Thus, Tarabishi focused on how globalization is being received and conceptualized in the Arab World. The dominant approach in his views, is the conspiracy theory, a preferred mechanism in defending an injured self that is schizophrenically unable to act on reality. Arab intellectuals who apparently avoid the term “conspiracy” in describing globalization, use the terms “imperialism” or “Americanization” - but their escalatory attack on globalization is close to the level of a “catastrophist vision” that is akin to doomsday prophecies in religious writings. Arab discourse that is weary of the West or Western driven progress takes, in some instances, the critique of globalization to the extent of defaming modernization itself, arguing that this historical process is only relevant to the West. This view often characterizes the discourse of Arab intellectuals of the Islamist trend, who approach the issue in terms of “ideological excommunication.”

Tarabishi referred in some detail to *Globalization*, a celebrated book by the Egyptian thinker and economist Galal Amin, and showed that the author not only advocated the boycott of globalization but also was practically calling for leaving the modern era completely and going back to a pre-industrial ethos. In contrast, more receptive Arab views of globalization are subject to less attention in the region.

As long as there is a structural inability to conceive of globalization correctly, Tarabishi recommended dropping the concept of “contra-globalization,” currently in vogue among some Arab intellectuals, since it is merely a glamorous title for rejection, rather than a real alternative. Instead of contra-globalization, he proposed “Arab globalization”, in parallel to world globalization. Arab globalization is not to confront world globalization but to enhance the Arab World’s opportunities to benefit from the process. More than any time previously, the Arab World itself must become a single regional village. At the least, the cultural borders in the Arab World should be removed, and new communication technologies should enable us to breach these borders.

Tarabishi insisted on the need for proper cultural conditions before the Arabs can either welcome or reject globalization, citing alarming figures on current illiteracy rates in the Arab World and even its expected relative rise in the 21st century. He then discussed four indicators to assess the Arab cultural infrastructure: reading of newspapers, possession of radio, TV and video, use of computer and access to Internet.

If in the near future it becomes possible to expand the Arab World’s access to the Internet, inter-Arab borders will collapse or at least be breached. Censors cannot use their scissors on the Internet. Tarabishi said that Arab globalization can involve a renewed role for the Arab League, while it is possible to perceive an Arab “extranet” that links Arab scientific institutions and universities. The cultural dimension of globalization is not neutral; globalization carries its own culture. A painful process is likely in store, since the culture of globalization is not necessarily harmonious with established Arab culture. The former is earthly, sensual, material and pragmatic, while Arab culture is still mostly religious, ascetic and reticent.

Commenting on Tarabishi’s paper was Tunisian sociologist Dr. Abdel-Qader al-Zaghal, who praised his efforts to refute the dominant premises of Arab intellectuals regarding globalization. As for the need to preserve cultural identity, he said that the so-called Arab cultural identity is made up of what we, the contemporary Arabs, provisionally select from our cultural heritage, including the values and behavior that match our preferred vision of the future. Elitist Arab intellectuals, under the current political authorities, do not have the moral and political courage to engage into specialized scientific research in the humanities and social sciences to renew our approach of the cultural heritage. The result has been the dominance of culturalist and Islamist discourses on the concepts of globalization and Arab cultural identity.

The second comment came from Dr. Nabil Ali, chief researcher at the Sakhr software company in Cairo. He focused his remarks on the need to link the Arabic language with the ongoing revolution in information technology. New Arabic linguistic tools must be invented to deal with the colossal flow of information; respect must be restored to our language. Currently, Arabic texts are being analyzed by US intelligence agencies, which have shown an interest in translating these texts to reveal the linguistic and cultural structures of our language. Ali was not pessimistic regarding the potential for effecting radical change, but acknowledged that the production of computer programs using Arabic is still very limited. A new field of study, which he termed epistemological engineering, should be established in the region. This field must capitalize on computer, epistemological and linguistic sciences. Israel's attempts to replace us in the linguistic domain must be challenged; Israel, thanks to its good ties with the European Union, is seeking to take charge of translation from European languages into Arabic.

Finally, Dr. Ahmad Beydoun, a professor of social science at the Lebanese University, commented that while he supported Tarabishi's general conclusions, he had doubts about some of the data used, implying that the situation was not as bad as portrayed. The spread of globalization in the past few years also meant it was too early to gauge the receptivity of the Arab World to the phenomenon. He took issue with describing the Internet as a "paradise of free tourism" in the world of information. The ability to censor is not as difficult as Tarabishi would have it, Beydoun maintained.

Moreover, if the costs of Internet access in the region drop, poverty will cease to be the obstacle that it is now thought to be. The main channels for receiving globalization, according to Beydoun, range from the Internet to the satellite television channels, which could bring the worst cultural content. Beydoun called for dropping the argument over globalization's advantages and disadvantages and instead asking questions about the changes that will affect our lives by introducing computers and the Internet to places like schools, universities and administrations. What also would be the effects on daily culture and the impact of satellite television on social behavior?

In the ensuing discussion, some participants took issue with Tarabishi's presentation, because it focused on Arab negative discourses about globalization. Tarabishi did not conceptualize Arab culture but merely took some samples of Arab extreme discourse as a substitute. Sociological tools should have been incorporated to better gauge the cultural impact of globalization.

The discussion also focused on the urgent need for an Arabic linguistic and scientific revival and the promotion of educational methods that encourage learning through discovery, initiative, and trial and error, instead of passive and flat learning. To succeed in the information revolution, Arabs must create a modern linguistic infrastructure, including unified curricula, joint research programs in the field of electronic language processing, general and specialized information networks that connect Arab countries together and unified information systems. Arabs must cope creatively with rapid scientific progress. This should include more scientific translation and more scientific writing in Arabic, in addition to devising active mechanisms to produce continuously scientific terms in Arabic.

## **Conclusion**

Globalization remains quite a controversial issue among Arab professionals, experts and intellectuals. As indicated by the final discussion on culture and globalization, serious and fundamental questions remain. The participants grappled with the need to define exactly the nature of globalization and its types of impact on the Arab and developing world. Are Arabs equipped to understand and confront the challenges, or is

an elite monopolizing discourse in such a way that obscures the true issues at stake? Disagreement over to what extent should globalization to be accepted or rejected was expected, but what was interesting was the controversy over the concept itself. Each Arab researcher or intellectual gave the concept a particular epistemological content that usually reflected both disciplinary specialization and ideological orientation.

At the closing session, the Tunisian minister of culture, Abdel Baki El Hermasi, indicated that Arabs are not alone in facing the various challenges and stakes of globalization, but it is the case of all societies. He added that the Arabs should not approach globalization as the last ring of a chain of conspiracies against them. Such a prejudice does not serve the Arab cause, on the contrary, it helps marginalize and reduce the role of the Arab world in the march of modernity. France, who represents a major economic and cultural power, is facing, like the Arab world, the challenges of globalization and its repercussions on its language and culture. Yet, it is playing a positive role through its struggle to preserve "cultural exception".

In addition, El Hermasi indicated that the last demonstrations in Seattle that accompanied the meeting of the World Trade Organization showed that even the United States suffer from the effects of globalization. Significant parts of the population refuse that large American investments, and consequently job opportunities move abroad. In this context, El Hermasi called the Arabs to carve out their fair share within this system, while struggling to preserve their particularities and defend their specific interests.

El Hermasi emphasized the importance of Arab integration as a way to face the current challenges. He also called for deep reforms in all Arab states in order to achieve Arab economic integration.

El Hermasi went further in highlighting the intellectual and cultural dimension of globalization. He pointed out that globalization does not mean merely economic competition but competition between people's creativity and intelligence as well. In this context, he called upon the Arab elite to break with the defeatist slogans, which emphasize the dangers of cultural invasion and call for more protectionism, since such slogans deepen Arab frustration and marginalization. The Arab elite should rather strengthen the people's immunity and make them ready to face the challenges. More importantly, the Arab elite should lead the process of change through more creativity and courageous initiatives in all the cultural fields including the classical areas and the modern fields, such as image creation, media development and communication networks and skills.

Fawwaz Fawk Al Ada then thanked the Tunisian officials who hosted so warmly this conference. He expressed his appreciation for the group of Arab experts who participated and contributed through their rich ideas and interventions. He emphasized the role of such a gathering in promoting and strengthening confidence and hope.

Fawk Al Ada added that the Arab world did not yet fully enter the world of globalization. He praised the capabilities represented by the participants in this conference in terms of their knowledge, their critical contribution and their openness to dialogue. He finally promised that the United Nations Development Program would keep following up on the issues of globalization and organizing more dialogues about it.

At the end, Salim Nasr, director of the Lebanese Center for Policy Studies, summed up some of the conclusions of the conference. He mentioned that a consensus emerged among participants emphasizing that globalization should not be viewed as a conspiracy but as an objective, historical trend, a tremendous multi dimensional force of change. Sooner or later, this trend will affect the social, political and economic composition of most countries and societies. Globalization is in its first phase and no one can predict

yet its long-term effects. Many negative impacts now might turn later into positive features, like what happened in the first industrial revolution.

Among points of consensus between participants that Nasr underlined, were the following:

- Joining globalization might have high costs but abstaining or withdrawing is not really an option and might be more dangerous for the Arab World.
- The issue is not accepting or rejecting globalization but how to increase benefits and reduce costs. The approach should be strategic-operational and not ideological -emotional. Discussions should mainly focus on appropriate policies and their costs.
- Globalization might provide opportunities to take shortcuts to goals that the Arab World have been late in achieving, in industrialization, education, service delivery or linguistic development.
- It is important to focus on the transitional period and the specific policies that lead us from where we are now to where we want to be in the short and medium term, including policies dealing with how to achieve or create:
  - The enabling environment for technological development.
  - The increased capacity to generate new ideas.
  - The national planning of human resource development, including the need for redeployment, up grading and reorganization of the labor force.
  - The appropriate means for the social protection of groups affected by the open market policies.
  - The focus on internal political, institutional and policy reforms in each Arab country.

In this context, the participants underlined a number of social and economic assumptions such as:

- Whenever the role of the state in production is reduced, the economy will improve. Employment as a social function has collapsed, in the Arab World and elsewhere, and we should return to employment as an economic function.
- In counterpart, the withdrawal of the state from production activities should lead to increasing its regulatory and social roles.
- Extensive privatization is not a magic solution, the public sector could be reformed by injecting in it autonomy, profitability and accountability to citizens and users.
- One of the roots of backwardness is the state of Arab educational institutions. Reforming them radically should be an absolute priority.
- The Arab region needs to adjust to changes in work processes and labor relations on a world-wide level. But it should start by addressing the decline and weakening of work ethics and the value of work in Arab societies in the last decades.
- All forms of regional regroupment will improve the Arab region's negotiating terms with the rest of the world. The circumstances are more favorable today to efforts to create regional coalitions.

- The new international division of labor might open to the Arab World new opportunities in many industries and service sectors in which it was previously difficult to enter.

Joining the "dematerialized" economy, the explosive energy economy, the knowledge and information society, requires that Arab societies no more be mostly "demoralized" societies. In the Arab World today, there is a need for larger vision, a need to release creative imagination again, a need to trust oneself and to cooperate with others.

The participants indicated that this conference was a significant contribution to a new Arab approach and discourse on globalization, to a redefined research agenda for the future, and to the promotion of joint Arab action. The participants expressed the hope that UNDP and other international agencies will organize in the future additional interactive fora such as this one, support more field and policy research and develop effective programs supporting the Arab region efforts to better understand the conditions and insure the prerequisites of its advancement, its freedom and its prosperity as one of the large constituent of the global community of nations.