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Arabization and Globalization Reality and the Challenges of the Twenty-First Century

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Arabization and Globalization Reality and the Challenges of the Twenty-First Century

Dr. Harbi Arikat [σ] & Dr. Abdul Aziz Saymeh [α]

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Different accelerating conditions and developments had negative impact on the individual Arab economies via facing giant blocs. Economic integration and self – dependence among Arab Countries would lessen the gap with global economic blocs and face the negative influence of globalizations and other challenges.

The main aims of this study to focus on the realities of Arab economic integration pillars and how to face all the challenges specially in this twenty first century and the corresponding prospects in order to become economically, politically and militarily strong, which requires some serious, sincere, and honest Arab political objectives to face all these challenges.

I. Introduction

The emergence of regional economic groupings in various countries of the world in the first half of the twentieth century and the twenty-first century, i e : the era of economic blocs, where communities accounted for 80% of the world's population and controlled 90% of the volume of world trade. The GDP of the three major blocks (European Union, NAFTA and ASEAN) amounted to more than 81% of the world's output, of which 19% of the economic processes take place outside those communities whose importance and pivotal role in the economy are growing.

Arabization is a way of economic integration between the Arab countries which intends to maximize and activate the traditional Arab ties on the basis of economic, political and practical institutional mechanisms to meet the challenges of this era and foremost the phenomenon of globalization. There is a term that may confront globalization and defends the boundaries of regional identity, culture, language and entity is Arabization.

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The current reality of the twenty-first century indicates the importance of cooperation and complementarity in building the economies of countries. It is difficult for a single country to achieve rapid economic growth and social development in the era of advanced technology and the requisite ownership and use of human skills, financial resources, various primary resources and large markets for the disposal of products. Self-potentials alone cannot advance countries without a regional bloc based on clear foundations and genuine political will that is serious and sincere.

II. The Importance of the Study

The impetus for the establishment of economic blocs among countries is to improve the position of the countries concerned in the international division of labor by taking advantage of the advantages and benefits of the regional economic bloc among countries such as economies of scale, the size of the market, increase investment opportunities and reduce unemployment through the recruitment process and increase the ability to compete and solve many problems. As for Arab economic integration, it is now in its most severe crisis, despite the obvious advantages and mutual benefits of all parties. Moreover, the integration of the Arab countries can restore productive structure and optimal specialization in the Arab economies to reduce the gap with the large global economic blocs. This can be achieved only if the political will of the Arab political system is sincere and serious. It is necessary to take serious economic and political steps through turning the slogans into actions and wills to movements to establish an Arab economic and political bloc capable of facing the challenges and dealing with them in a world where only the strong remain.

III. Objectives of the Study

There are a number of important objectives to study as follows:

First: To identify the experience of Arab economic integration and the most important international experiences to benefit from them and to tackle the most important encountered obstacles facing the Arab economic integration process.

Second: Point out the most important challenges facing Arab countries, especially in the 21st century.

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Thirdly: To forecast the prospects for a United Arab country that is strong economically, socially, politically and even militarily to face all challenges.

IV. Methodology of the Study

The researchers relied on descriptive and analytical scientific methodology of the experience of Arab economic integration since the establishment of the Arab League in 1945 and other international experiences, challenges and prospects for building a strong Arab economy, based on Arab and foreign available sources.

Study plan:

This study includes the following chapters

Chapter One: deals with economic integration: its concept and its benefits.

Chapter Two: deals with the experience of Arab economic integration and other global experiences.

Chapter Three: Arabs and Challenges.

Chapter Four: Conclusion and Recommendations. And a list of margins and references.

V. Economic Integration: Its Concept and Benefits

a) The concept of economic bloc

The economic bloc refers to the integration of a group of economies into countries with certain characteristics within the framework of a reciprocal relationship based on voluntary coordination of the organization and unification of their economic policies with a view to achieving mutual benefit through a series of preferential relations. Arabization will lead to economic integration if there is sincere political will which leads to the achievement of many benefits.

b) Economic blocs

The parties of the economic bloc can follow a set of mechanisms called forms or degrees of economic pillars required to achieve their goals. Bela Balassa, had defined economic integration and distinguished between economic integration as a process, while integration as a fact is a process that includes all measures that put an end to all the reasons for discrimination between the economic units of the economic bloc. As a reality, it represents a situation in which there is no distinction between the different economies of the bloc. Bella Balassa presented his model of integration in five gradual stages: (2)

i. *Free trade zone*

In which the restrictions and quantity between the participating countries are eliminated, but each of them maintains its tariff policy towards any non-member countries.

ii. *Customs Union*

This includes the abolition by member states of all customs duties and all quantitative restrictions on goods as well as the harmonization of customs tariffs with the outside world countries.

iii. *The Common Market*

This format addresses the elimination of all tariffs, quantitative restrictions and the unification of customs tariffs against the outside world countries, the liberalization of the movement of elements of production (labor and capital) within the market.

iv. *Economic Union*

This step is more developed degree than the common market as it has the same characteristics of the common market in the liberalization of the movement of goods, services and production elements as well as the coordination of economic policies among member states, such as fiscal, monetary, agricultural or industrial policy.

v. *Economic Integration or Economic Fusion*

This is one of the highest degrees of integration where countries become one economy to determine their own policies.

It should be noted that some of the economic blocs gradually passed these stages until it reached the fourth form of economic bloc, namingly the European Union, however, the Arab countries have to gradually begin to follow the form of integration until they reach the final form, such as the European Union. Arab countries had started their common market in 1964 as one step, but not Gradually like the European Union.

c) The benefits of economic integration

There are important benefits that can be summarized for the economic integration of any group of countries. These benefits will be realized instantly, but they need a longer time period that might be an era.

The benefits of economic integration are numerous and indeed have been achieved by groups of countries that have taken economic integration such as the European Union. These benefits have been identified by many economic thinkers and others, and these benefits can be enumerated below.(3)

a. Economic integration creates a wider market for products due to the multiplicity of markets and increasing the number of consumers in front of these products within the countries of the group. Trade and exchange of products are a good entry point for starting to integrate as agricultural or industrial goods, which have only the markets of the producing country, have wider distribution routes in the markets of other countries of the group. The effects of economic integration will lead to increased production of required species, which might be gaining new markets, activating agriculture and industrial productions. Factories are expanding

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in size and production varies, and intermediate businesses such as marketing, distribution, transport, insurance and others are expanding.

b. Economic integration creates a broad and common market for labor. The labor force of all types and levels can find better and more opportunities to invest its energies, which will lead to improved income and living standards. It will also provide greater opportunities for producers and businessmen to obtain the necessary employment, experiences and specialties at ease.
c. Economic integration offers greater opportunities for capital investors and their expected returns without restriction and exploitation of economic potentials. This leads to a greater return for capital-exporting countries as well as the production and operation of factors in host countries of invested capital. The effects are also reflected in increased production, incomes and living standards within the group countries. Demand is increasing with increasing incomes and the economy shall be booming in all bloc member countries.
d. As one of the most important benefits of economic integration is that it allows member states to establish large joint projects which may be difficult for the individual State as those projects require huge amounts of financing and high level of expertise as well as broad markets. To benefit from making such projects the should be run with the best economic fundamentals, operational, and productive principles.
e. Economic integration puts the Member States in a higher status in the international market and towards other economic blocs, especially if these member states have the resources and the necessary products and strategy. Economic integration will locate member states in better conditions for foreign trade. Member states can achieve many benefits from economic and technical agreements with other States, as well as they gain political weight.
f. Economic integration leads to specialization among the countries that organize integration to benefit from the comparative advantages enjoyed by some of the countries of the group and thereby increase and improve production within each country and diversify among them.

These are the most important benefits and advantages that can be gained by countries wishing to build economic blocs.

VI. Experience of Arab Economic Integration and Other Global Experiences

a) Arab Experience

The call for the regional bloc among countries is expanding and increasing its importance as an objective of the proper absorption of the requirements of development in this age and to meet all challenges.

The world of the twentieth century and the twenty-first century is a world of giant economic blocs. The question is why the Arab economic bloc is not on the list of these giant economic blocs. Arabs attempt to form an Arab economic bloc are among the oldest international attempts in this regard.(4)

The date of the start of the process of Arab economic integration was the date of the establishment of the Arab League on 23 March 1945, which represented the creation of technical economic institutions to establish the bases of economic cooperation between the Arab countries.

In 1950, the Joint Arab Defense Treaty was signed and the Economic Council was established. In 1957, the Council of Economic Unity Agreement was signed, which came into force only on April 30, 1964. Also in 1964, the Council of Arab Economic Unity has established the Arab Common Market and which was confined to four Arab countries: Jordan, Egypt, Iraq and Syria. Libya and the Sudan joined in 1977 and some other Arab countries joined later and did not exceed more than 11 Arab countries from 22 Arab countries.

The most important objectives of the Arab Common Market include:

- Freedom of movement of persons and capital.
- Freedom of exchange of national and foreign goods and products.
- Freedom of residence, employment, employment and economic activity.
- Freedom of transport, transit and the use of means of transport, ports and civil airports.

The Arab common market is so weak in its outcomes because of the weakness of intra-Arab trade and the lack of optimal exploitation of the wealth available in the Arab countries.

The Gulf Cooperation Council (GCC) was established between six Gulf Arab states (Saudi Arabia, Qatar, Kuwait, Bahrain, Sultanate of Oman and the United Arab Emirates) with the aim of establishing a free trade zone among GCC states. Maghreb Arab Maghreb Union (AMU) was established in 1989 and was aimed at unifying the external customs tariff and bringing together Algeria, Morocco, Tunisia, Libya and Mauritania. The Arab Cooperation Council was established in the same year and included all countries (Egypt, Jordan, Iraq and Yemen). The political factors played a key role in the formation of these three blocs, but the events of the region, such as the Gulf War, resulted in the termination of the Arab Cooperation Council because of Egypt's participation in Iraq in the second Gulf War in 1991. While the GCC achieved considerable success in economic integration, In the Doha Conference in 2007 for the leaders of the Arab Gulf countries to agree on achieving monetary union by 2010, but this goal has not

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been achieved for those countries, despite the strong political will of the leaders of those countries and for the Arab Maghreb Union is so far paralyzed to political differences between member states. There are attempts by the new President of Tunisia to revive the Arab Maghreb Union again.

At the Arab Summit held in Amman on 21 and 22 June 1996, the Conference mandated the Economic and Social Council of the League of Arab States to take the necessary measures to accelerate the establishment of the Free Trade Area in accordance with a program of work and a timetable.

This Convention entered into force on 1 January 1998. So far, the status of intra-Arab trade has remained low and did not exceed 14% in 2007. (5).

This trade volume is very limited as compared to other world trade blocs such as European Union, 70% ASEAN 40% and NAFTA 50%. Expected inter Arab economic projects are optimized wishes to increase the volume of intra-trade.

Arab Free Trade Area (GAFTA) has entered its 14th year by 2012. The Arab countries that have joined the region were: Jordan, Bahrain, UAE, Tunisia, Saudi Arabia, Sudan, Syria, Iraq, Oman, Palestine, Qatar, Kuwait, Lebanon, Libya, Egypt and Morocco. Non-tariff restrictions continue to be the main obstacle to the liberalization of intra-Arab trade and there is an effort to liberalize trade in the services sectors and the expectation that Arab countries will join the Greater Arab Free Trade Area.

The historical stations of joint Arab action are not without achievements, but it did not reach the level of desired goals and remained a large gap between the results of Arab efforts and the results achieved by the blocs Such as the European Union (6).

At present, Arab joint action through the institutions of the Arab League is almost paralyzed, even that we are now in the twenty-first century, the League of Arab States in its current situation does not serve the Arabs as this institution suffers from severe dilemmas. It is the cause and the result. The Arab League is retreating when the Arab system recedes.

The Arab world entered the twenty-first century and is bound by many of the constraints and problems created by the Second Gulf War in 1991 and the occupation of Iraq and its serious repercussions on the future of Arab development and the events of September 11, 2002. These events have exacerbated various challenges and caused many internal popular revolutions in more than one Arab country for reform and evolution for the better for the Arab citizen and the economies of Arab countries.

The problem of the Arabs in their economic relations is that they confuse economic relations with political relations, they have not realized the need to separate the economic aspect of the relations from the political aspect. European countries had recognized their political differences first, but it also recognized the necessity of the economic cooperation and the benefits they could have. So, they passed this problem quietly and slowly and reached a successful economic formula which is the economic union and concluded that era by issuing the single euro currency and the subsequent establishment of solid foundations for an integrated structure.

There were Western political blocs attempted to find several economic systems to weaken the Arab countries such as the Middle Easternship, the European Mediterranean Partnership, and the Multilateral Investment Agreement and others.

The Arab public system oscillated among many political and economic options but did not have the appropriate mechanisms for entering the twenty-first century. The Arabs Summit Foundation is the most prestigious Arab institution ever created and is the only one that can take oral decisions of a disabled national character. The meetings of the Arab foreign ministers are held in different periods, without actual applications.

Arabs, leaders and people, realize that this is the era of giant economic blocs. It is suitable for the Arabs to have an economic bloc compared to other world blocs such as the European Union and other global blocs.

b) Obstacles of Arab joint action

Obstacle 1: The reasons for the failure of the joint Arab action can be summed up as follows (7).

1. Lack of continuous and intensive popular initiatives.
2. Lack of formal coordination among Arab countries.
3. The weakness of the Arab opposition parties and the loss of initiative spirits
4. Restrictions imposed by the Arab states themselves on the movement of citizens of other Arab countries.
5. The localism between the Arab countries and the lack of seriousness in the implementation of the Joint Arab Action Charter and the decisions of the League of Arab States.
6. The existence of administrative restrictions on the intra-Arab trade as well as the treaties of many Arab countries with the Western capital markets.
7. The Western European Middle East project has played a major role in thwarting the Arab integrated project because of its political and economic risks.
8. Other notable reasons are no sound scientific methodology, realistic and long-term vision at the same time, and the lack of reliance on the progressive approach of integration, similar to the European Union and other economic blocs. Developing countries, including Arab countries, first need to create trade rather than trade liberalization. This is because developing countries including Arab countries must first effectively use their various resources and diversify their productive structure, same as developed countries do, so that they can

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exchange goods among themselves. Joint projects in various fields will help diversify the productive structure and will facilitate the free flow of goods which starts with the gradual economic integration and free trade leading to the final form of integration and economic bloc, similar to the European Union.

The European experience had proven successful because of the principle of gradualism and transparency in dealing with disputes in a flexible manner and the establishment of mechanisms for follow-up and monitoring.

It is worth to point out that the Gulf Arab countries in their Gulf Cooperation Council (GCC) have many commonalities which have made the process of the bloc progressing and some successful compared to other Arab blocs. They have common borders, religious, historical, social and military ties, as well as political systems. In addition, there was agreement among these countries and through the strong political will of these countries to join Jordan and Morocco to the Gulf Cooperation Council, as decided by the Conference of the six leaders of the six Gulf states in May 2011.

Obstacle 2: The fundamentals of the economic integration between Arab countries. The studies of the economies of the Arab World indicate that there are special elements of the Arab countries compared to other giant economic blocs such as the European Union, which can increase the effectiveness of Arab economic integration. These elements can be summarized below:

1. The availability of natural resources, from agricultural lands, forests, pastures, livestock, financial wealth and mineral wealth. It is noted that most of these natural resources have not yet been exploited.
2. The availability of capital largely due to the large oil revenues, especially before the Gulf War in 1991, but alas, these funds did not contribute seriously to the development of the Arab region, because the were directed towards investment in Western countries, which is now estimated at more than a multi trillion dollars and the price of oil now arrived to more than $ 50 per barrel.
3. Availability of human resources in the Arab world, where the population of the Arab world amounts to 160 million people in 1998 and now more than 340 million people in 2017.
4. The breadth of the market in the Arab world, which extends from the Gulf to the Atlantic Ocean.
5. The strategic location, which occupies a middle position between three continents, is Asia, Africa and Europe, this gives it a special economic importance. It also overlooks the Mediterranean, Red Sea, Arabian Gulf, Atlantic and Arabian Sea. There is no doubt that Arab countries are link of the world countries.
6. Arab States have all the complement components of economic integration in addition to the unity of language and unity of origin, history, spiritual values, social environment, and geography.
7. The Arab region represents 10.2% of the world's area.
8. The size of Arab labor is about 103 million workers in 2002 and in 2017 it exceeds 135 million workers.
9. GDP at current prices amounted to about 717 billion dollars in 2002 and now estimated at more than several trillion dollars. Noting that there is a huge wealth in the Arab world which can be exploited and increase the size of Arab GDP, which should benefit the Arab people and the diversification of the structure of their economies.
10. In terms of intra-trade to total foreign trade, it reached about 14% in 2007 and has increased to about 16% in 2012, and this was achieved by activating the common Arab market and activating the Arab free trade zone.

Obstacle 3: The Mechanism proposed for coordination between Arab regional economic groupings.

To achieve the benefits of the economic integration, regional economic communities need to be coordinated with their needs and the establishment of joint ventures. There is no doubt that the joint ventures constitute an important entry point for economic integration. In order for these joint ventures to achieve their objectives, countries in the Arab regional economic communities need to provide a set of basic conditions that can be summarized as follows:

1. The joint Arab projects shall be within the framework of a comprehensive and real development plan of reality that takes into consideration the long-term economic cooperation and integration
2. The transition from the holding projects that exist now to productive projects that should be distributed between the participating countries should focus on the productive industries and not only on services, as is the case in the Arab world
3. These joint Arab projects should be managed on sound economic foundations, free from political considerations
4. No multinational companies shall dominate in of these projects
5. Arab projects should meet the needs of the Arab countries, especially the countries participating in the project
6. Arab projects should give Arab expertise the priority in managing such projects and should be trained on the latest technological means.
7. Arab joint venture involved not only in financing but should be involved in administration, technology, marketing, and employment according to the available possibilities.

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8. The feasibility of these projects should not be based on maximizing profits, but on the basis of the social return on the future of development in the Arab countries.
9. Encourage the private sector to participate with the public sector in the establishment of joint ventures
10. The need to calculate and distribute the dividends fairly among the participating countries.

In January 2009, the Arab Economic Summit was held in Kuwait as the first Arab economic summit in light of the major global changes. As Arabs are now living in an era of economic openness and globalization. The Arab Economic Summit held in Kuwait was a governmental preparation, with the participation of the private sector on an equal footing. Practical measures have been taken to activate joint economic action and remove the obstacles facing the completion of the Arab Free Trade Area and the establishment of the Arab Customs Union as basic steps in establishing the Arab Common Market.

c) Arab Regional Economic Communities

The regional economic gatherings are necessary among the Arab countries in light of the existing conditions and conditions, as stipulated in the League of Arab States Agreement. Article 15 However, there are some caveats that we would like to emphasize as follows:

1. Cooperation and coordination within Arab regional groupings should not be seen as a substitute for joint Arab action
2. These gatherings should not raise their issues in isolation from the issues of the Arab nation so as to give itself a special identity and identity independent of Arab identity
3. These assemblies should not be viewed by their members or by other Arab countries as being opposed to other axes. But must be seen as a natural phenomenon dictated by some of the considerations of the continental, economic, regional and international.
4. The members of these groups are required to maintain their independence against foreign penetration attempts because foreign forces are only interested in bombing and destroying the Arab regional system and cutting it off so that it does not advance in any of the fields and to remain dependent on the outside countries, and this is not satisfied by Arab citizens.

d) Experiences of global economic blocs

The most important economic blocs that have a major impact on the global economy were the European Union bloc, the NAFTA bloc and perhaps also the APEC bloc. These conglomerates hold about half of the world's population and more than 80% of the world's annual production:

i. *European Union*

The European Union began the first of what began with the so-called Rome Agreement of 1957, which committed itself to specific periods of time to remove the barriers and expand the bloc until now it is composed of 25 members instead of 15 countries, which became a common market in 1993 and later an economic union.

Rome Convention began with four freedoms:

1. Freedom of movement of persons.
2. Free movement of capital.
3. Free movement of goods.
4. Freedom of movement of services.

The European Union is the most advanced economic conglomerate. It has succeeded in a comprehensive liberalization of inter-trade and has thus become a unified market in which goods, services, capital and people move. The EU currently contributes about one-third of the world's gross national product. Its share of world trade accounts for about a quarter of the world's trade and it imports about one third from the developing countries.

Although the commitment to the monetary union was not an essential element of Rom's Treaty, the European Union has taken important steps in issuing one currency for this bloc known as the Euro. The Euro has gone through various stages to become an important currency for international trade and trade integration. (9)

ii. *NAFTA conglomerate*

The idea of this bloc came as a reaction against the European bloc (European Union). The United States of America established the North American Free Trade Agreement (NAFTA), which includes the United States, Canada and Mexico in 1992, with the aim of uniting the Americas economically into a single trading bloc to confront Europe and Japan. The aim of the bloc would enable the United States of America to face the challenges of the 21st century, thereby obtaining a greater share of the new central administration of the world economy (10).

This bloc may outweigh the EU in terms of GDP and the inter trade volume between the bloc members. It can therefore be the largest free trade area in the world. Under the NAFTA agreement, all barriers to trade between partners will be removed, allowing goods to be transported more freely among the three economies by gradually lowering tariffs and other barriers among member countries on goods, services, and investments. Perhaps the biggest beneficiary of this bloc is the US economy despite the US internal opposition to this bloc as it allows access to cheap Mexican goods.

However, many studies have shown that the liberalization of intraregional trade will have multiple effects for its partners as it can add new jobs in the United States, flow of US and Canadian capital to

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Mexico, and Canada's exports will increase, particularly in the area of financial services and telecommunications.

Some writers believe that the United States(US) called for this bloc for the following reasons: (12)

1. It fears of Europe's economic power.
2. Its concern about Japan's economic, industrial and technological power.
3. The American concern about the exploitation of a united Europe to extract trade concessions from the United States if it remains alone.

iii. *Other regional blocs*

There are other regional blocs in Asia, South America and Africa. Apart from the ECAP and the ASEAN blocs, the other blocs did cope with the huge economic blocs that we mentioned earlier (EU and NAFTA).

The ASEAN bloc in Asia and the COMESA bloc in Africa, are the only economic blocs in developing countries and are less important than those of the developed countries. However, they these economic blocs are resorted by developing countries to be in a better economic bargaining situation than being individual economies against the large economic blocs such as the European Union or the NAFTA.

Other important bloc which is the APEC, that includes both developed and developing countries located on the edges of the Pacific Ocean and include 14 countries. These countries, include the United States of America, include more than half of the world's production and represent (40 to 50)% of world's trade.(13)

The most important regional bloc of the developing countries is the Southeast Asian bloc, ASEAN. In Africa, there are some regional economic blocs which includes the Coast-Saharan States, the Economic Community of West African States bloc (ECOWAS), and the COMESA. COMESA bloc is one of the most successful regional conglomerates on the African continent. It was founded in 1994 to replace the East and South African Trade Preferential Agreements (SEPAZ) area of 1981. The main objective of this consortium is to benefit from the large size of its member markets through the development of trade, natural and human resources, the mutual interests of its Member States to become in a better status when negotiating with other parties.

Arab economies regrettably acting individually with the large global economic blocs. The whole world is moving towards the economic bloc to benefit from the benefits of the economic bloc that was mentioned earlier to be in better negotiating conditions in the various fields, but instead, the Arab economies are heading towards separatism and individualism in dealing with the global blocs. It is worth to state that the 340 million Arabs now unfortunately produce less than a middle country in the EU like Spain or a quarter of Italy's national product.

All Arab interested economists revealed that there are three alternatives to the Arab world:

1- Retreat and be in isolation which leads to more backwardness.
2- Engage in subordination and submission to other global economic blocs.
3- Enter into a real Arab economic bloc and integration and as the world is heading to the blocs, the third alternative is the best for the Arab world.

As has been explained earlier that of the main reasons for the success of the European experiment was that it was based on the common economic interests of its countries, which in turn had contributed to the protection of the political interests of the EC Member States. It worth to add that the EU project, that began 55 years ago, has achieved a unique success, despite the fact that its countries and its people have a long history of war and conflict.

The Arab world was the first region in the world to have a regional gathering after the Second World War, but unfortunately, Arabs did not progress towards integration with the same enthusiasm that others, like the European Union, have done. The Arab world currently has a lot of economic unity and integration factors, much better than the Europeans, both in terms of material and human moral components such as common language, customs and traditions. It is of deem necessity to be gradual in applying the degrees of economic integration. It worth to indicate that the Europeans have been successful due to the reliance on the principle of gradualism and transparency in dealing with political differences in a flexible manner and the applying a variety of mechanisms to follow-up and monitor the integration process. There are more than 500 million consumers in the EU from 25 countries who can buy their goods from any of these countries without hindrance and are subject to the same policy and criteria and have similar credit cards and can travel from one country to another without restrictions.

It is worth to conclude that the availability of the political will with all Member States accompanied by their relinquishment of some parts of their sovereignty for the sake of complementarity. The return of this complementarity through collective action is the only way to reap the fruits and benefits of the economic bloc among Arab countries. The aspirations of the Arab peoples began in 2011, starting with Tunisia, Egypt, Yemen, Libya, Syria and some other Arab countries towards the amalgamation and the creation of a strong Arab bloc away from the World blocs and keep away from their unjust policies and unfair nesses. It is the will of the Arab peoples that will achieve the aspirations sooner or later and then will gain the respect of the Western countries.

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VII. Arabs and Challenges

In this chapter, the researchers will address a number of challenges that have faced and are still facing the Arab world, which have weakened the economic, social, political and military strength of the Arabs. The main reason is the absence of sincere and serious political will:

a) Arabs and the challenge of globalization

The word globalization has become one of the most talked-about phenomenon in contemporary literature. It has become the biggest concern of all societies, governmental institutions, research centers and the media of all kinds due to its current and potential results (15).

The phenomenon of globalization is defined as "the integration of the world's markets into the rights of trade and direct investment within a framework of free market capitalism, and thus to penetrate national borders and to the great decline in the sovereignty of the State." (16).

Much of the talk about globalization in the past and present century is not the result of the emergence of the phenomenon Globalization, but its growth at an accelerated rate, but it is necessary to emphasize that the main factor responsible for the emergence, continuation and acceleration of this phenomenon is the current technological progress and development by the industrialized countries and the. The globalization was called the New Age, which must be adopted by the developed countries.

The first wave occurred during the period 1870-1914 when the progress in the means of transportation which opened the way for some countries to use the abundance of their lands to increase production and multiply exports and the growth of foreign capital by more than three times in the countries of: Africa, Asia and Latin America, about 60 million people had immigrated from Europe to North America or what is called the New World. The influx of workers from the more densely populated countries such as China and India to the less dense countries such as Sri Lanka, Vietnam, the Philippines and Thailand. The world total volume of labor migration was about 10% of the world population

The second wave of globalization was during the period 1951-1981. It focused on the integration of the rich countries through the multilateral trade liberalization process under the auspices of the General Agreement on Tariffs and Trade (GATT. The exports of developing countries in this period were limited to raw materials. Then third wave started in 1980, which was associated with the advancement of information and communication technologies. The main outcome of this globalization wave is that the wealth gap between the poor and the rich has increased and is accompanied by migration waves from poor countries to rich countries.

Globalization in essence means the cancelation of the borders of the world countries in the economic, financial and commercial sectors. and leaving products, currencies, labor move across the world and within a space that includes all the globe.

The phenomenon of globalization takes three dimensions:

1. Wide dissemination of information
2. The borders between States shall be dissolved
3. Increase the similarities between the community and communities and institutions and dissolve differences.

The challenges of the twenty-first century are complex and difficult, including globalization, and the state that is currently working to impose or promote this phenomenon for a long time is the United States of America, which wants "American hegemony" or "America of the world" and it used for this its political strength and military ability and modern communication techniques.

The main element of globalization is multinational corporations (MNCs).

It is important to point out the negative impact of the phenomenon of globalization on our Arab homeland. It is very clear that the American hegemony on the Arab nation as being rich and has a strategic and social depth has allowed to the United States of America, to dominate the Arab rich countries especially after the Gulf War in 1991 and in a bid to achieve its purposes in tightening its grip on the Arab oil wealth and control it for using it as a weapon against its opponent countries in Europe and Asia, and intends to control of the Arab consumption market stretching from the Gulf to the ocean.(17)

The invasion of Kuwait contributed to the tension and has caused a great rift in the body of the Arab world and the destruction of the joint Arab defense agreement signed between the Arab countries. As Arab countries have agreed to solve any disputes or conflicts by negotiation or by Arab League conferences and it is not permissible for any Arab country to attack another Arab country no matter how complicated the circumstances are between the Arab countries. The last invasion had led to the collapse of the Arab system and expose it to the world forces and led to the current weakness, rivalry and losses of human and financial resources estimated at 650 billion dollars, and had given a great opportunity for American to over control the Gulf Area.

As per the American hegemony, and the new unipolar world order, many critics had been raised by many policy experts, the American professor Herbert Spieler in his book The Media and the American Empire. Sharp criticism also for the roles played by multinational companies(MNCs), especially the American giant ones

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and their role in weakening the developing countries' economies, including the Arab countries. American wealth has stepped to be the highest in the world, there are about 358 world billionaires, the majority of them are Americans who possess the wealth of the equivalent of the 2.5 billion people of the world, or equal to the total wealth owned by half the World Population (19).

Multinational corporations are a key element in the globalization concept. These companies are very large, with the annual sales of one of them exceeds the gross domestic product of a large number of developing countries, including Arab countries. As well, their direct investments in many countries of the world are now limiting the sovereignty of these countries.

This means that if a country wishes to pursue certain policies in favor of the local citizens that would adversely affect the profits of one of its subsidiaries, the parent company closes its branch in country and transfers it to another place, which in turn is a deterrent to the host country.

It is important and vital to indicate that multinational corporations are the phenomenon of modern colonialism. They consider the world an open market. Developing countries are the victims of such companies as they are currently controlling their economies, as well as spreading corruption, bribery and subordination for the sake of their interest. Consequently, this deepens the gap between the so-called free capitalist world who is highly developed technologically, scientifically and informally and the developing countries who are politically and scientifically shattered world.

The main problem in the Arab world is the domination of the United States of America, which does not want any good for the Arab world governments and peoples, but even more to tear the Arab countries into states. Economic globalization has been accompanied by waves of brain drain from developing countries to the developed industrial countries, which tend to favor educated labor and expertise, leading to the depletion of human minds from developing countries.

b) Arabs and the challenge of development

This challenge is faced by all developing countries, including Arab countries once they gained political independence. Development trends in the Arab countries are known to have been country-driven and have not achieved high growth rates and have not achieved economic security and food security. There are enormous natural and human potentials in the Arab countries that are underutilized.

Unfortunately, most of the Arab development experiences have resulted in more than 160 tentative development plans were introduced up to 2011. But results contradicted the real development goals.

These results include the following: (23)

1. More economic dependence on the outside, despite the enormous potential and wealth of Arab countries.
2. More inequality in incomes and wealth among people.
3. High inflation rates between Arab countries.
4. High unemployment rates between Arab countries.
5. Decline in overall economic performance.
6. Weak investment and savings.
7. Poor agricultural and industrial production.
8. Continuity of increasing external indebtedness.
9. The continued flow of Arab funds abroad.
10. Limited interaction and integration among Arab countries.

In order to address these problems, the optimal solution lies in economic integration among the Arab countries because there is a strong relationship between integration and development. This relationship is reflected in the development of revenues that integration can create for the contributing parties. Economic blocs are able to achieve certain objectives better than those that can be achieved by individual states (24). This means that the relationship is the connection of the means to the goal as it is assumed that integration is the best alternative means for development. It is worth to conclude that: while not every track of development is central to integration, every track of integration is central to development (25).

There are huge potentials and riches distributed among the Arab countries but not exploited optimally due mainly to the lack of sincere and serious political wills in the approach towards the optimal utilization of the wealth available in the Arab countries.

VIII. Conclusion and Recommendations

a) Conclusions

Through our review of the joint Arab action process and the various challenges, we find that the reality of Arab economic cooperation is weak. The challenges of the twenty-first century require activating the joint Arab action to be able to confront the global economic challenges through a genuine Arab economic bloc supported by sincere and honest political will.

The future of the Arab economy depends on the extent of the objectivity of the clear strategy of the Arabs against the international economic changes for the future of an Arab nation that is strong economically, socially, politically and even militarily. Joint Arab action is the only way to confront all risks and challenges and the Arabs must be treated as one bloc within the framework of the global system and in front of other blocs. Either they work together or the Arab states will dwarf down and finally disappear one by one under the weight of globalization and other global challenges. Arab integration is the right way to face the challenge of

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globalization and others and to get development and liberalization. This is the surest way to preserve the Arab presence on the international scene.

b) Recommendations

In order to achieve future prospects for an Arab nation to be strong economically, socially, politically and even militarily with the availability of sincere, honest, and serious political will. The most important recommend-dations can be summarized as follows:

1. The availability of political will and credibility in dealing with the issues of the Arab economic integration, which hoped to achieve the national interest in the context of achieving the Arab community objectives.
2. The sincere and honest recognition of the existence of the Arab nation as an Arab system that is economically, socially and politically strong with basic and radical amendments to the Charter of Arab League and its organizations regarding their authorities, decision-making, implementation mechanisms and dispute resolution powers.
3. Neglect the differences, passive attitudes, and hatred among Arab countries and to stand united in front of all challenges.
4. The establishment of an Arab court of justice to resolve disputes between Arab countries and to avoid any military method in resolving disputes between Arab states.
5. Stabilize the strategy of self-reliance to achieve real economic and social development in order to reduce dependence on the outside and ensure the satisfaction of the basic needs of the Arab people.
6. Creating a strong Arab economic system that satisfies the Arab demands locally and not be a game in the hands of international organizations to fulfil their requirements on Arabs, such as relying on the World Bank or the International Monetary Fund.
7. Coordinating Arab positions and policies towards the World Trade Organization, the European Union and other economic blocs.
8. Giving the public sector the attention it deserves to strengthen and modernize it and provide it with efficient personnel.
9. Give the workers appropriate pay and follow the methods of economic management and accounting and provide the conditions for obtaining higher profitability, and improve its competitive and productive situation by implementing the principles of accountability and responsibility.
10. There must be a comprehensive economic and administrative reform program, based on the principles of law, combating corruption, improving productive capacities, and the principle of transparency in the relationship between the citizen and the state.
11. Basic reforms in the structure of the Arab output are to be implemented to rectify the imbalance, through diversification in productive activities, rather than relying on the contribution of one commodity and a few commodities in the Arab trade.
12. Encourage intra-Arab investments through joint projects among Arab countries in order to increase the volume of inter-Arab trade.
13. Follow-up and activate the Arab Trade Zone, which began in 1998 and activate the Arab common market.
14. To face the phenomenon of globalization and other challenges via dealing with the factors of progress and technology and adaption of the regional and international changes in terms of dealing with awareness of science and technology, culture and information and all the variables and laws of contemporary globalization, taking advantage of the agency of the strengths available in Arab economies.
15. Arab countries should work to develop the economic institutions and establish a statistical center in each Arab country and be connected with the Arab League to provide Arab States with all the necessary statistics to prepare the plans for the present and to forecast for the future.
16. Increasing the participation of the Arab private sector in the joint Arab economic and social work by increasing the volume of joint Arab investments between the public and private sectors rather than the exit the Arab private sector funds outside the Arab world.
17. Developing and progressing joint Arab action, especially in the field of scientific research, technological development, creativity and knowledge.
18. Establish an information network to facilitate the smooth movement of Arab goods and services and open the Arab States borders to transfer Arab labor and capital away from political and security sensitivity and reduce dependence on non-Arab labor.
19. To prepare scientific, logical and realistic studies on the problems of unemployment, poverty, inflation, external indebtedness and other problems, and gradually solve them through a sincere approach to the optimal exploitation of Arab wealth available in Arab countries.
20. Work on the spread of real democracy in all Arab countries and the expansion and deepening of the Arab national belonging to all the Arabs.

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