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Abstract

Despite repeated attempts at regional integration for half a century, Arab economic relations remain limited and compare unfavorably with other regional blocks. This paper attempts to identify the objective reasons for the slow progress on Arab integration in the past, with a view to offering suggestions for a better future.

It shows that a lack of both economic and political incentives for integration is responsible for the slow progress of Arab integration to date. More specifically, it identifies six main reasons for these limited results: low degree of complementarity among Arab countries; low level of openness; weak private sector role; unwillingness of political leaders to integrate; shortage of commitment institutions, in particular the absence of mechanisms to compensate the losers; and finally the lack of consensus on one state or more to act as a regional leader or leaders.

Looking forward, the paper argues that the future of Arab economic integration seems promising. This view is based on the more favorable internal and external economic circumstances prevailing currently, and on some positive political changes as well. It also shows that without simultaneous efforts to address the still existing barriers and new challenges, Arab integration would remain a hope rather than a reality.

“The inability to mobilize the considerable collective human and material resources of a "nation" of more than 200 million people accounts in part for the powerlessness which is the fundamental problem facing the Arabs today.”

(Edward Said, 1996)

(Hoekman, et al,

. ۱۹۹۸; Galal and Hoekman, ۱۹۹۷; Konan and Maskus, ۱۹۹۷)

.(Escribano, ۲۰۰۰; Mattli, ۲۰۰۰)

.(Viner, ۱۹۵۰; Lawrence, ۱۹۹۷)

Haas, 1978.)

(Moravcisk, 1991

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.(Sayigh, ١٩٨٣; Owen, ١٩٩٩)

.Sub-regional blocks

.(El Naggari, ١٩٩٧)

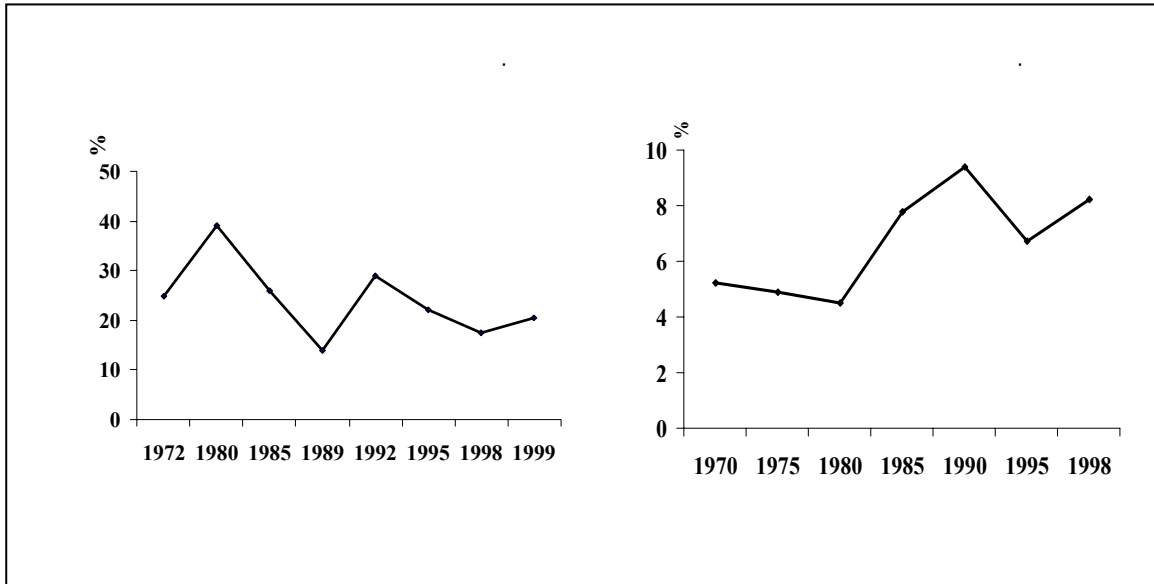
.(Shafik, ١٩٩٤)

.(Zarrouk, ١٩٩٨)

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Sources: a. International Monetary Fund (IMF). "Direction of Trade Statistics Yearbook," several Issues.
 b. Zarrouk, Jameel (1999). "Intra-Arab Trade: Determinants and Prospects for Expansion," in El-Naggar, S. (ed.), Foreign and Intra trade Policies of the Arab Countries, and the Arab League, The Arab Consolidated Economic Report, Several Issues.

Al Atrash and Yousef,)

Gravity Model (

Devlin and Page,) (Havrylyshyn and Kunzel,)

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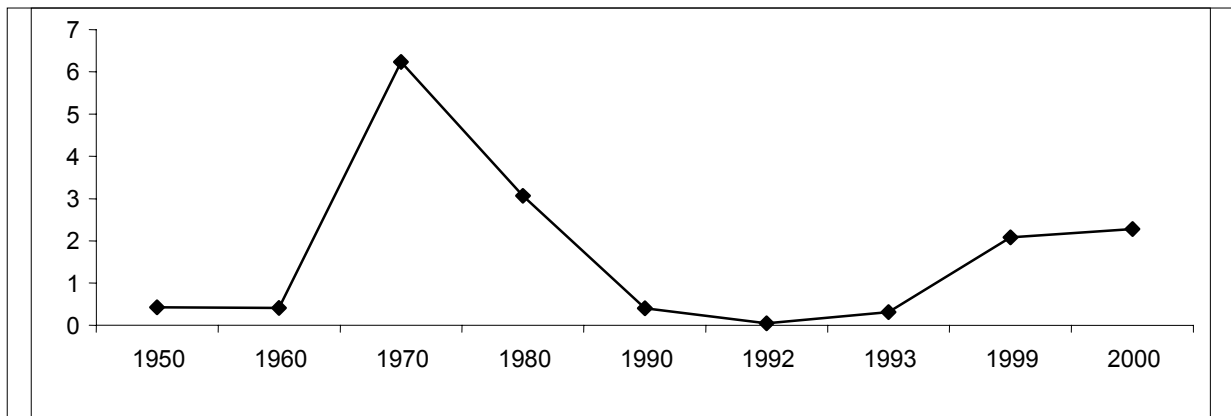
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Source: IMF, *Direction of Trade Statistical Year book*, several issues and World Bank, *World Development Indicators*, CD-Rom, 2001.

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Source: Al-Monzery (1995).

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(El-Erian and Fischer,)

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Source: World Bank (2001a).

(Viner,) " "

Trade Diversion Trade Creation

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(Lawrence, 1977; De Melo and

(Pangariya, 1993

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(Al Atrash and Youssef, 2000; Yeats and

(Francis, 1998)

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Source: Yeats and Francis ().

Heckscher-Ohlin " - "

.(Shafik, 1994)

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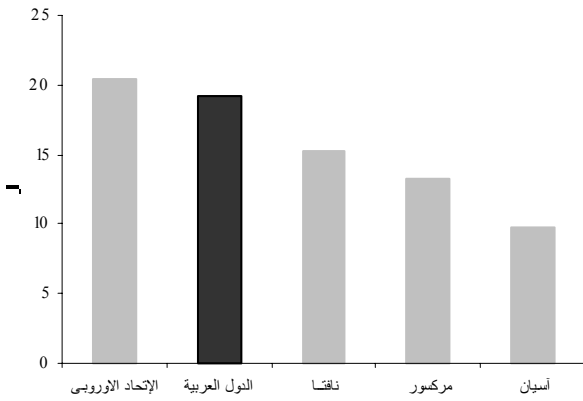
(Hoekman, ١٩٩٥).

(Shafik, ١٩٩٤).

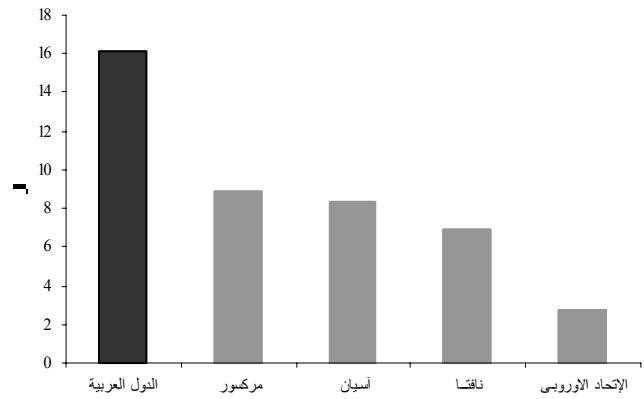
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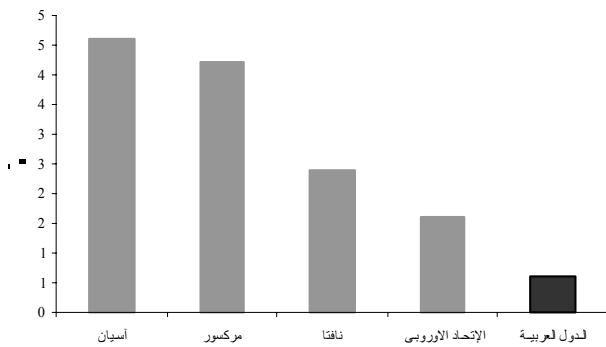
الإفناق الحكومي/ الناتج المحلي الإجمالي



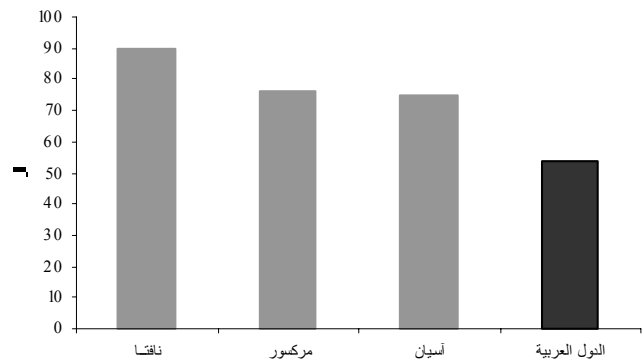
المتوسط المرجح للتعريفية الجمركية



الاستثمار الأجنبي لمباشر/لناتج المحلي الإجمالي



الاستثمار الخاص في الأصول الثابتة/إجمالي الاستثمار في الأصول الثابتة



Source: World Bank ().

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.(Mattli, ۲۰۰۰)

.(Lawrence, ۱۹۹۷)

The National Association of Manufacturers

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.(Owen,)

- The National Retail Federation ■
- The Business Roundtable ■
- The US Council for International Business ■

:(Haas, 1978; Moravcisk, 1991)

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Shallow Integration

Deep Integration

- (Escribano,)

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(Mattli,)

(Sayigh,) (Hudson,)

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(Escribano,) (Sirageldin,) ()

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Source: World Bank (2001).

(Shafik, ١٩٩٤)

(Hudson,)

(Mattli, ۲۰۰۰)

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."Hub and Spoke"

(Zarrouk, 1998)

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