PREFACE

The aim of this essay is not to give a complete account of Arab economic performance since the War, but rather to account for what went wrong. The more favourable aspects may not, therefore, have received sufficient attention, but it is still hoped that the truth has not suffered as a result. Although the reader is warned of this, it is hoped that some will welcome it.

Dissatisfaction with the Arab economic scene is not the feeling of a mere minority. Although this dissatisfaction provokes ceaseless conversation among Arab as well as foreign economists, not excluding U.N. experts, what they write on the Arab world in their more guarded moments often gives exactly the opposite impression. The present essay is not likely therefore to be more than a drop in an ocean of flattering, over-"diplomatic" or over-optimistic literature.

But because there is no hope of understanding the deficiencies of Arab economic performance or the real obstacles to future development without due attention being paid to political factors, this essay contains almost as much politics as economics. And it is largely because of this that, at several points, the approach may seem somewhat personal and even passionate. No apology will be made, however, either for the politics or for the passion. If personal judgements seem almost to have disappeared from economic writing and if the expression of the writer's passion, however mild, has become taboo, it is largely because political and social issues are excluded. But it is precisely this exclusion which seems to result in a greater misrepresentation of the truth about the Arab world than any liberty which the writer may take in expressing his personal judgements. It is indeed probable that readers of the future will be genuinely surprised to find that, as late as 1971, a Swedish economist found it necessary to stress to his fellow social scientists that "there are no economic problems, there are simply problems and they are complex", and that a British economist was recently so angered by the fact that social scientists often regard certain social phenomena as unimportant simply because they are not measurable.

2 "Such is our perverse faith in figures that what cannot be quantified is all too often left out of the calculus altogether. There is apparently a strong prejudice among research workers against admitting that the unmeasurable effects are likely to
One of the main themes of this study is that, in spite of their different beginnings a quarter of a century ago, as time went by, Arab countries came to display strong similarities. Foreign observers and social scientists, however, for reasons that are not far to seek, show a general preference for emphasizing their differences. Because of an artificial dichotomy between economics and politics the different leanings of Arab govern­ments with regard to foreign policy seem to have precedence over the much more important fact, from the point of view of development, that all of them are heavily dependent on the good will of some foreign power. For the same reason the abundance of foreign exchange in some countries is repeatedly contrasted to its scarcity in others to the neglect of the more important common fact that in all of them a considerable part of this foreign exchange is wasted. Because of an exaggerated concern with average incomes, to the neglect of income distribution, the relative affluence of Lebanon, Libya, and of course Kuwait is unduly emphasized. The fact is, however, that income inequalities in these, as well as in the poorer Arab countries, make for much less significant differences between them with regard both to the level of income of lower-income groups and to the way of life of the minorities at the top. Again, as a result of an exaggerated regard for legal forms too much is made of Lebanon’s democratic façade in contrast to the military governments of other Arab countries. But, at least from the point of view of development, Lebanon’s “repressive tolerance”, to use Marcuse’s term, seems to be at least as damaging as Egypt’s totalitarianism.

The choice of the nine Arab countries covered by this study (Libya, Egypt and Sudan in Africa, Syria, Lebanon, Jordan, Iraq, Kuwait and Saudi Arabia in Asia) was not arbitrary. Other Arab countries have been excluded either because of their even more scarce data, as is the case of the two Yemens and the smaller oil-rich countries of Arabia, or because they have been out of the main stream of post-war political development, as is the case of the three countries of Al-Maghreb. Many of the features found to be common to the selected nine countries are believed, however, to apply to those left out.

Finally I wish to express my gratitude to those who, though unaware of my conclusions and not given a chance to correct my errors, have helped me to write this book. Among them it gives me special pleasure to thank Mrs Hanaa El-Sheikh and Mr Hussein Merghany, for providing be more significant than the measurable ones and that in such cases, therefore, any conclusions reached on the basis of the measurable effects only are unwarranted.” (Mishan, E.: *The Costs of Economic Growth*, Staples Press, London, 1967, p. XX.)
me with useful data while working as research assistants at the American University in Cairo, and the Ford Foundation, whose generous Middle East Research Award has relieved me of teaching for one academic year (1971/72) during which most of this book was written.

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