

THE PROCESS OF DEVELOPMENT IN THE MIDDLE EAST:
GOALS AND ACHIEVEMENTS

The 30th Annual Conference
of
The Middle East Institute

Washington, D.C.

October 15-16, 1976

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THE PROCESS OF DEVELOPMENT IN THE MIDDLE EAST:
GOALS AND ACHIEVEMENTS

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The Middle East Institute
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30th Annual Conference of the Middle East Institute in conjunction with the
School of Advanced International Studies of The Johns Hopkins University

The Mayflower Hotel
Washington, D.C.
October 15-16, 1976

Program

Friday, October 15

- 9:30 am Opening Remarks
- L. Dean Brown*
 President, The Middle East Institute
- Welcome from The School of Advanced International Studies
- Robert E. Osgood*
 Dean
- 9:45 am Keynote Address
- Alan W. Horton*
 Executive Director, American Universities Field Staff
- 10:45 am Panel I
- ECONOMIC GROWTH AND DEVELOPMENT:
 MANAGING MATERIAL GAINS AND BENEFITS
- Presiding: *George Lenczowski, Professor of Political*
 Science, University of California, Berkeley
- Ragaei El-Mallakh, Professor of Economics, University*
 of Colorado
- George Tomeh, Senior Advisor, Organization of Arab*
 Oil Exporting Countries
- 12:45 pm Adjournment for Lunch

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2:00 pm

Panel II

GROWTH OF THE INDUSTRIAL SECTOR AND CITIES:
THE CHALLENGE TO PLANNING

Presiding: *Robert H. Nooter, Assistant Administrator,
Bureau for Near East, Agency for International
Development*

*Robert Crane, President, Native American Economic
Development Corporation*

*Jerome Fried, Research Associate, The Middle East
Institute*

*Mona Serageldin, Senior Associate, Nash-Vigier, Inc.,
Planning Consultants*

3:45 pm

Panel III

THE IMPACT OF RAPID DEVELOPMENT ON THE COUNTRYSIDE:
IS IT BEING LEFT BEHIND?

Presiding: *Andrew E. Rice, Executive Director,
Society for International Development*

*Wyn F. Owen, Professor of Economics, University
of Colorado*

*David I. Steinberg, Director, Office of Technical
Support, Bureau for Near East and South Asia,
Agency for International Development*

*Afif I. Tannous, Consultant on Middle East Development
and formerly Area Officer for Near East and Africa,
Foreign Agricultural Services, US Department of
Agriculture*

8:00 pm

Banquet

Speaker: *James P. Grant, President, Overseas
Development Council*

Saturday, October 16

9:15 am

Concurrent Panels

Panel IV

A NEW FACTOR IN THE EQUATION:
WOMEN AND DEVELOPMENT

Presiding: *Lisa Sergio, Lecturer and Author*

Nuha Abudabbeh, Clinical Psychologist

*Julinda Abu Nasr, Director, Arab Women's Institute,
Beirut University College*

*Mona Hamman, Doctoral Candidate in Education,
University of Kansas*

*Amal Rassam, Associate Professor, Department of
Anthropology, Queens College*

Panel V

EDUCATION FOR DEVELOPMENT: IS IT KEEPING PACE?

Presiding: *Marshall Berg, Deputy Director, Near Eastern
and South Asian Programs, Bureau of Educational and
Cultural Affairs, US Department of State*

*John Elmendorf, Senior Program Officer, Academy for
Educational Development*

*Abdul Khan, Senior Policy Analyst, US Department of
Health, Education and Welfare*

*David Mize, Vice President for Program Research and
Director of the North Africa Office, American Friends
of the Middle East*

11:00 am

Panel VI

DEVELOPMENT AND TRADITIONAL SOCIO-CULTURAL VALUES:
CAN THE CONFLICT BE RESOLVED?

Presiding: *Majid Khadduri, University Distinguished
Research Professor, The School of Advanced International
Studies, The Johns Hopkins University*

*Edward E. Azar, Professor of Political Science,
University of North Carolina*

*John Batatu, Professor of Political Science,
The American University in Beirut*

*Cathie Witty, Assistant Professor, Department of
Social Work and Social Research, Bryn Mawr College*

12:30 pm

Summation

*Philip H. Stoddard, Director, Office of Research and
Analysis for the Near East and South Asia, US
Department of State*

1:15 pm

Adjournment of Conference

L. Dean Brown

KEYNOTE ADDRESS

Alan W. Horton

The other day a friend of mine said that keynote addresses were really sermons. A keynote address, he said, is an emotion-laden pitch for a particular point of view, a call to those assembled to join the speaker in distinguishing between the sacred and the profane in a particular way. He said that doctrines about development can be just as deep-seated as doctrines surrounding religious beliefs - and just as rigorous in terms of required rituals. And he went on to say that on several occasions he had been asked by developmental economists to believe in their doctrines and that they had subsequently cast him out and refused to cite him in their writings.

My friend was clearly in a grumpy mood. Naturally, I resisted his notion that keynote addresses are like sermons. But I did remember the helpful clerical practice of taking a text, and I decided to find one for this occasion. I came across Pogo's famous line - "We have met the enemy and he is us" - but felt that it was too brutally clear. I then found a story about Gertrude Stein and Pablo Picasso that seemed suitable - suitable, perhaps, because it has several possible interpretations. So I take as my text the following incident, which I hope is a true one: Picasso, it is related, did a portrait of Gertrude Stein. When she saw it, she exclaimed, "But Pablo, this does not look like me at all." Pablo replied: "Gertrude, you will look like this from now on."

The story propels us into the problem of perception. Society, Picasso was saying, will see you in the same way I do because my artistry will persuade society that my view is the right view. Once persuaded to perceive in certain ways, society is a powerful force. We grow up persuaded, persuaded to give meaning to what we are taught to perceive by our parents and our social experience.

Now the problem of perception may seem to be a long way from the theme of this conference. Please bear with me for a couple of paragraphs, which I have adopted from a speech given long ago to this same gathering.

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Man, the organizer, organizes his mind so that he perceives some things and not others. If handfuls of pebbles are thrown randomly on the ground, each mind will seek to organize the scattering, indeed must organize the scattering into some kind of picture. One person will see a baseball diamond, possibly with Chris Chambliss hitting a ninth inning home run, another a mountain vista, a third will see the baleful eye of a spouse watching him, another may see the face of Sigmund Freud or Richard Nixon. Confronted by the same data, each person will find a special way of organizing it, a pattern that for him will become reality, and each mind will fail to see or reject data that does not fit his special pattern.

Conventional wisdom has it that people "see things differently." The trouble is - we hear the cliché and do not pause to remember its precise meaning. Each person has his special vision of reality; he perceives according to the patterns of mind put there by his upbringing and experience. He interprets events according to his mind sets, his points of view. The significant fact is that by its nature a point of view, which is a pattern to help the mind organize what it sees and hears, tends to ignore other points of view. In that scattering of pebbles, I do not see the design of a baseball diamond unless someone points it out. Indeed, the longer I look and see only my wife's baleful eye glaring at me, the more likely I am to go on obsessively seeing it that way and the more difficulty I will have perceiving other patterns that friends may point out to me.

What I am getting at is plain. To see a pattern in events, to adopt a point of view, leads to feelings of loyalty toward the pattern. We become emotionally involved with the ways we perceive. Our loyalties to certain ways of doing things lead to certain acts, defending our notion of reality or - like Picasso - persuading others that our notion is the right one. Each of us has a set of loyalties that determine pretty much what we do - and concomitantly each society has a set of loyalties that determine the actions it is prepared to take. Which of these loyalties are deep-seated and which superficial? The answer is involved in the answer to another question: what is a person or a society prepared to make sacrifices for, what are we prepared to die for?

What are we in this room loyal to? What would we sacrifice for? The Americans here might differ among themselves on some items, but I suspect that the great majority, if pushed hard to the wall, would admit to a deep-seated loyalty to the United States. For many generations we have perceived the nation-state as the proper framework for organizing our political, economic and social lives; while we have strong loyalties toward our immediate families, we do not identify with clans or with tribes or with a saint cult or an empire and its divine emperor. Despite historical evidence to the contrary, the nation seems to us to be the natural form of territorial organization, and we are surprised to find that in some non-Western areas there are different values, different loyalties. We expect the foreigners we meet to think in the same national terms we do, forgetting that the notion of the nation-state as an object of loyalty is a relatively recent phenomenon in human history and that only a few generations ago it was a notion held mainly by Westerners.

We all know the history of the nation's expansion into the Middle East. Elie Kedourie, the English historian born in Baghdad, once called nationalism "the disease from Europe." He remembered a happier pre-national day when his own life was organized not by nation but by ethnic community. And indeed the story of the advent of nationalism into the area is in part the story of the breakdown of those other communities, the requirement by nations that final loyalties must be clearly national. At first the trappings that went with nationalism were all borrowed. School systems were essentially British or French or American. Systems of law were taken almost wholesale from France or Belgium. Parliamentary systems were established and the idea of universal manhood suffrage was accepted as a good one among the Westernized. Over the years these borrowed institutions were adapted and sometimes radically altered, but the change was always in the direction of greater autonomy, greater control for those in power to transform their nation into something resembling the models from which the notion of the nation had come. Their desire, like our desire, was to play the game of nations and win, to compete successfully, to "make it" in the nationalist world. A major reason for the stridency of some recent nationalism in the Middle East is, of course, the fact that some nations have not been making it big and feel themselves helpless in a game with the deck stacked against them - little industry, no infrastructure (to use the economists' term), traditional agriculture, too many people for too little land and so on. How many Americans are really aware of what it is like to be a national of a country that is not making it big, what it is like not to be able to be proud, if one wants to, of the accomplishments of one's country?

It is small wonder that the idea of development has captured the imagination of the developing world. In a very real sense

development is a way to improve one's chances in the game of nations, to get a better deal as one faces other nations across the table or the battlefield. Development - with a capital D - can be almost a religious matter, a belief that if one goes through various rituals and makes certain kinds of decisions, not for God but for nation, one's nation becomes stronger, more at peace with itself, more blessed with success. In effect, one's nation becomes more worthy of the loyalty we are anxious to give it.

There is another belief connected with development also, another justification for its rituals and theories. The hope we all have - no matter how we choose to phrase it - is that proper national development will bring greater happiness for nationals. The assumption is that a stronger nation will be able to provide more worldly goods for its people and that happiness can be measured in part by national income. For all of us the assumption holds considerable validity. We do not all agree on how that national income should be distributed - either right now in the midst of the development process or later at that happy time when national affluence is a fact - but in a vague way we all wish the poor to be less poor by having some of the fruits of development passed down and we hope that the rich will be guided by some notion not of equal but of just distribution.

The fact is that development - however religious the fervor attached to the concept - has, and I state this carefully, sometimes improved the material condition of human beings. Whether there is a consensus on why it did so in the Middle East in some instances is a question that this conference can help determine. The assessment of the next day and a half could be very helpful. But certainly it is a major problem that the practitioners of the developmental art cannot agree on what makes it work. The academic world, for example, abounds with mutually exclusive theories. Some economists, and again I have to be careful how I say this, presuming that human motivations even outside the marketplace are measurable in terms of economic gain, believe they have isolated certain rules on how to develop. Some political scientists, presuming that what humans want is really power (and not just the power of money), are equally doctrinaire. As for anthropologists - and here I speak with "colleaguial" feeling - some of us are so intent on being generalists with regard to development that we end up not with a particular theory on how it happens but with a fuzzy mass of admonitions. I will not comment on the theories of policy makers, diplomats, AID officials and business people, except to say that in my experience they are no more certain than the rest of us on how and why development happens.

Yet there are some elements of development we can probably all agree on. For one thing, development is in the minds of humans,

it is almost a state of mind, an attitude about change. The most effective development measures are directed toward changing minds, toward promoting attitudes that welcome change. Crucial changes in a country's institutional life are effective only when the minds of those involved are ready to accept them. It may not always be true that minds change first, but it is certainly true that development works better when they do.

We would also agree that the direction of successful developmental change-of-mind corresponds pretty closely to a shift in the direction of loyalties. In our era loyalty to the extended family, village, ethnic group or social class is in some measure replaced by loyalty to the nation-state. Without such loyalty there is no basis for an appeal to help, no motivation to work for the national cause, no reason to sacrifice, no commonality of understanding about national aspirations and no real development.

But some minds and some loyalties change sooner than others. This is the problem that presents itself to the prime movers in the Middle Eastern development process - those people that Americans often meet (to the exclusion of others), English or French speaking, extraordinarily sophisticated, highly trained and devoted to their country's cause. The problem they face is immense. What does one do to change the minds of urban poor and peasantry? How are they brought into the developed world, and how is their thinking, as it were, nationalized?

Let me cite a case. There is a village in the North Syrian plain that I know well. When I lived there I was interested in the village's recent history and asked the old men about it. Before World War I there was little rural security. When they worked their fields, villagers had to work in groups for safety's sake. After sundown, it was assumed that anyone outside one of the compounds was a stranger and if caught, he would probably be killed. In 1917 the Turkish army came and impressed some of the villagers into service; they fought at Gallipoli, but those who survived never wanted to leave the village again. Indeed, the only time that people left the village was once a year: a group of 30 men, armed with sticks and stones, would make a trip by full moon, on donkey back, over rough trails to Aleppo, some 20 miles away. The following day they traded a few subsistence crops and some lowgrade cotton for the few items they needed, such as needles or a piece of steel for a plow. They returned to the village the following night. The village was their entire world. Nothing outside it was of real interest.

In 1922 the French came. For the first time in many generations they quickly established rural security. They made the Damascus-Aleppo road into an all-weather road, permitting trucks and buses at

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any time of year. In 1927 they built an all-weather branch road to Antioch, and the road passed the village within a quarter of a mile. In that same year, villagers, convinced that rural security had come to stay and noting new transport possibilities, began to plant cash crops - fruit trees, high-grade cotton. By 1932 many villagers were selling their cash crops to newly wealthy merchants in Aleppo and travelling into Aleppo during the slack winter months on cheap rural transport. The pace of exchange between village and urban center quickened through the 1930s. By the end of World War II, most village men were familiar with the city and knew a lot about manipulating it; its concerns were not theirs - their world was still defined by village politics and village agriculture - but they observed it carefully.

In 1946, the villagers built themselves a school house and, by the law of the newly independent state, the building of a school house required the Ministry of Education to send out three city persons as teachers. Reading and writing were not new - traditional Koranic schools had increasingly been in operation - but now most boys and a few girls began to study the state-controlled curriculum. Also in 1946 a mobile police unit - a sergeant and six men - was posted some six miles away and began to interfere in village life, preventing the operation of traditional law in the settlement of disputes by applying a new and different law, the Syrian Code which had its origins in Belgium. By 1954, there was not one male under the age of 32 who could not read and write; there were daily visits of agricultural bureaucrats or merchants from the city; there were opportunities every ten minutes for cheap rides into the city; villagers fattened the practice of city doctors and even had babies delivered in the city, and there was no extended family that did not have one or two children studying at an Aleppo secondary school. Yet it was still the case that what was truly important in their lives was the village itself; it was certainly their final loyalty. Despite a radio in every compound and visits to the city and boys away on military service for two years at a time, the outside world was considered a dull place. If the younger men knew something of national politics, they did not really care what happened.

Ten years later in the mid-1960s, it had changed. National loyalties had invaded the village. Where once there had been clans in bitter enmity, one now found young men of the same age from various clans joining forces under the banners of national political parties. Most small girls were at school, though their older sisters were certainly not free of the bondage of really hard physical labor. The village had taken on township status, and some of its concerns were the same as those of Aleppo urbanites. The pattern of land ownership had been changed by government intervention, resulting in more

efficient land use. Some young men were socialists. In short, a revolution of the mind had taken place.

What will happen next? If these particular villagers have now been integrated into Syrian national life in the sense that the village economy depends on the national ability to purchase its cash crops and that the villagers have an emotional and financial stake in Syria's destiny, what happens when they begin to ask for their share of national wealth and power? We can confidently predict that a great deal will happen. In the past, urban leaders have used villages for their own urban and national purposes - only for food stuffs in the old days and now for political support. Because of the "patriotization" of their mentalities villagers now have urban and national purposes, also. The political bargain that must clearly be struck will change the face of Middle Eastern life. Villagers have been brought into the system, and now they will insist on some of its benefits and on having a hand in running it.

The final question to be addressed by this conference has to do with the relationship of development to traditional values. It is the toughest of a series of tough questions, and in several ways it subsumes the lot. What is the nature of development? When the notion has been exported from the West, has it been an export of an entire way of life ranging from Hilton hotels through Coca Cola to Sesame Street and a belief in rationality? Are we experiencing an epoch of cultural convergence, in which the elites and masses of most of the world will come increasingly to think alike, dress alike and even eat alike? Put another way, how deep into traditional cultures will development have to burrow in order to bring affluence and national power to the developing world?

There are no easy answers, of course. One thoughtful person recently said that he thought the two important cultural attributes for development were an ability to manage technology and a puritan ethic - and he pointed to Japan, implying that Japan had preserved its traditional values throughout. I do not think the evidence is really all in on that one, and in any case I know of no culture that has in fact preserved its traditional values in pure form for very long. The fact is that values are constantly changing. The notion that social values remained constant for many centuries in the Middle East is quite wrong, though the assertion that they have undergone dramatic change in recent years is right enough. As Dr. Walid Kazziha of AUC has pointed out in another context, there were also dramatic changes in other centuries.

I end these comments pretty much where I began. The impact of the West and Japan may be less dramatic in the years immediately ahead but the pressure from those quarters will continue unabated -

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especially as models for success in the game of nations. The belief in development that is now built in to Middle Eastern life by way of its school systems and its television networks will spread with considerable speed. Development itself - with money for nuts and bolts supplied in part by oil producing countries - will continue to be little understood, occasionally unappreciated, and very much talked about as governments seek the fulfillment of national dreams. Whether success will crown their efforts is problematic. As this conference proceeds with its judgments on the last 20 years, it will in a sense be looking at the next 20, which will doubtless have many of the same characteristics.

One of the similarities, I suspect, is that we will again find it difficult to distinguish dramatic change from dramatic development. Were those changes of the last 20 years really planned - or did they just happen? Probably the only certain prediction we can make for the next two decades is that there will be dramatic and extraordinary change. The developer's problem will be how to channel the energies now unleashed. The position of women, the structure of education, the form of political institutions and the political weight of the countryside are bound to change radically - and if this is not planned or not for the best, it is at least what will be going on in most of the rest of the world. As Picasso said, "Gertrude, you will look like this from now on."

Thank you.

ECONOMIC GROWTH AND DEVELOPMENT:

MANAGING MATERIAL GAINS AND BENEFITS

Broadly speaking, the process of development in the Middle East today has been influenced by two principal factors: (1) the exposure of the area to the industrialized countries, especially those of the West, along with the ideas emanating from those countries and, (2) the tremendous wealth accruing to the Middle Eastern region as a result of the increased oil revenues of the last few years. As a consequence of this inflow of wealth, the financial revolution now occurring in the Middle East has almost no parallel in world history. Some would compare it to the flow of gold and other resources from the New World to Spain in the sixteenth and seventeenth centuries, but the great lesson of history is that gold may come and gold may go away. Spain's wealth of that time has since dissipated and consequently, Spain has had to develop under completely different circumstances. The lesson here for the countries of the Middle East is that they must build their future on more permanent foundations, which require more profound, fundamental changes in the way things operate, in the psychology of their people and in a broader cultural outlook.

In considering the subject of development, a vital distinction must be made between economic development and economic growth. Development is a much broader and time consuming process while growth is almost automatic and can emerge quite suddenly. The Middle East is experiencing rapid economic growth today, but this also entails a tremendous problem of inflation, partially owing to a lack of adequate management. Development also refers to a better distribution of income and wealth, especially between the "oil haves" and the "oil have nots." There is widening disparity between these two groups: differences in *per capita* income between the United Arab Emirates, for example, and Syria, Jordan and Egypt are growing. With this disparity comes more economic and political problems of instability and uncertainty, as well as a lack of orderly economic development. The Middle East has the highest rate of economic growth the world has seen in this century, but unfortunately this is not equally true of development, since development deals with education, manpower and other resources - in a qualitative sense as well as quantitative. The five

year development plan of Saudi Arabia requires an addition of 500,000 to one million people to add to the present estimated population of four million, but this cannot happen instantaneously and without regional coöperation. It is doubtful whether non-Arab expatriate labor can meet the requirements of Saudi Arabia, owing to the language gap, social problems and so forth. Saudi requirements must be met by coöperation with neighboring countries, in addition to skilled help from Western Europe and the US.

Another problem in the development of the area is that of absorptive capacity. In terms of capital investment, absorptive capacity can be defined as the minimum expected rate of return yielded by investment that is acceptable to the investor. In the Middle Eastern context, the investor is basically the government. Accordingly, the expected rate of return may be based on broader criteria than profits, or even strictly economic dividends: it may be defined in social, political and economic measurements. Furthermore, disparity in domestic absorptive capacity exists between various Middle East countries. The problem of domestic absorptive capacity in Iran, Iraq and Algeria is not as great as in Libya, Kuwayt, Qatar, Saudi Arabia, the United Arab Emirates and perhaps Bahrayn, both in the size of the population and in the diversified nature of the former countries' economies. In the latter countries, the problem of absorptive capacity exists in terms of their inability to spend all or most of their revenue domestically. This is in large part because these countries have narrow domestic markets as a function of their small populations and limited labor supplies, both quantitatively and qualitatively.

The most obvious economic activities available for expansion in these countries, and those where multinational corporations have a key role to play, are not only in the petrochemical sector, but also in the construction of industries such as shipping and shipbuilding, and non-traditional agriculture, such as hydroponics and food processing plants. There is also an imbalance in the economic growth of these countries due to their neglect, perhaps wrongly, of the agricultural sector. Hence, the events in Lebanon might be a lesson to the Gulf countries, since they have not been able to obtain many of their requirements from Lebanon as in the past. In addition, these countries suffer from a tremendous overstaffing in their governments.

The problem of regional absorptive capacity is a particularly vexing one in the Middle East today. Even when considering the most elaborate development plans which expect to spend huge sums, as in Saudi Arabia and Kuwayt, there will still be a yearly surplus which cannot be invested in these economies. A partial answer lies in regional absorptive capacity among all the Arab states, which possess a higher absorptive capacity on a regional level than if the absorptive capacities

of the individual countries were totalled separately. This is because (1) there are regional projects which can take advantage of shared resources, such as the Euphrates and Nile River projects and, (2) benefits can be derived from economies of scale, such as through industrialization on a regional basis with more massive economic ventures which could bring about more diversified development and renewable growth enterprises in contrast to purely petroleum based projects depending on a depleting product. Expansion in the petrochemical industry is desirable but it must be done on a rational basis and with a view to the world market. There are limitations to expansion in this area, particularly for countries which have oil reserves for only the next 20 or even 15 years when it may take ten years or longer to set up such an industry.

An urgency for development on a regional basis also comes from the realization that the capital requirements of the Middle East oil poor countries are expanding. A recent National Science Foundation study showed that major Arab oil producing countries contributed \$1.5 billion in investment and aid to the rest of the Middle East in 1974, with a similar amount for 1975. Yet the needs of the non-oil producing countries were considerably greater than this. Taking as an example of this disparity, the Gulf Authority was recently established to aid countries such as Egypt. However, the total capitalization of the Gulf Authority was \$2 billion, while Egypt alone needs at least \$10 billion over the next five years for its development requirements. The other "confrontation" states likewise have not received adequate support from their neighbors. In addition, there is the problem of proliferation in agencies which have been created to dispense aid. Some are token, others are real; yet they all share common difficulties in poor management, inadequate staff and little coordination between various efforts.

Even the shift in liquid assets to the oil producing countries following the decisions taken in 1973 have not solved the capital requirements of the Middle East. It is misleading to regard these assets as having no productive use in the producing countries because of their limited absorptive capacity. Indeed, some producers are already net borrowers from the Eurodollar market. But looking beyond the economies of just the oil producing states of the Middle East, it should be remembered that the Arab countries have multiple needs in practically all fields of development, including health, education, communications, improvement of soil, irrigation, exploitation of mineral resources, industry and other infrastructural requirements. The price increase of 1973 raised the aggregate *per capita* GNP of the Arab countries by only some \$300, while the rise in the US and the EEC over the same period was approximately \$2000. In addition, some of the Arab League countries, such as the Sudan, the two Yemens and Somalia,

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fall in the category of "least developed countries," and their needs alone are greater than all the surplus acquired by the Arab oil producers. In fact, oil surpluses projected for the next five years in five selected OAPEC countries, for example, will barely cover their own development plans.

The problem is even more apparent when the area's rate of illiteracy, uneven distribution of industry and high rate of population growth are considered. One key area of development which must be adequately provided for is that of quality in management. Partially, this involves political considerations. Has the nation-state provided a framework conducive to development? Has the leadership of Middle Eastern countries given priority to development, in the face of such requirements as the survival of the regime or international political situations, as the entrusting of the Aswan Dam project to Soviet advisors? To what extent are development decisions dictated by ideological, emotional factors, such as General Qasim's takeover of IPC?

Another aspect of the human dimension in development is the necessity of rational decision making, efficient execution and the implementation of decisions subject to audit and checking procedures at every level. This is of crucial importance, whether at the macro-technical level (where major planning, investment and allocation decisions are made) or at the micro-technical level (which ultimately determines the success or lack thereof of a given project once it has been launched). Indeed, the breakdown in development projects seems to occur most often in the implementation of projects and their follow-up. A pertinent example is in the field of civil aviation, where well-designed projects have run into difficulties in problems with visas and passport control, the lack of maintenance in existing airport facilities, lack of proper airline reservation systems, and so forth.

Nevertheless, there have been a number of encouraging trends in the prospects for development in the Middle East, despite the deep political differences of the last 18 months. Many of the area's countries have embarked on economic liberalization policies, especially Egypt. This trend has also appeared in Syria, although to a lesser extent. Even the Soviet influence in Iraq has diminished and that country has become more involved with the West. Furthermore, it is probable that certain of the non-oil producing countries will join the ranks of the oil producers in the near future. One case is that of Egypt, whose modest success so far is particularly encouraging since Egypt has the greatest need for additional revenue of any Middle Eastern country.

Another encouraging trend has been the channelling of oil resources to development projects on a regional basis. OAPEC has been

active in this regard, particularly in the oil sector, with such projects as the Arab Maritime Petroleum Transport Company, the Arab Shipbuilding and Repair Yard, the Arab Petroleum Investment Company and the Petroleum Services Company, among others. Several countries have developed agencies for aid and investment on their own, including the Kuwait Fund for Arab Economic Development, the Arab Fund for Social and Economic Development, the Saudi Development Fund, the Abu Dhabi Fund for Economic Development, the Iran Fund for External Development and the Islamic Development Fund.

There has also been an upswing in economic and political ties between the two economic "superpowers" of the region, Egypt and Iran. Iran's *rapprochement* with the Arab world has developed tremendously following the resolution of the Kurdish issue between Iraq and Iran. In addition, Iran's strengthening of aid programs to states in the region would, by example, put pressure on the Arab states to do likewise. Also, the US and the Western world in general have become more aware of the urgency in meeting regional development financing requirements to bring about orderly economic development and increased political stability. To this can be added the effect of the achievements of the institutions for development in the area, along with the dedication of the individuals to be found in these institutions. In the face of wars and other disruptions, it seems clear that achievements in the field of development will always receive special consideration.

GROWTH OF THE INDUSTRIAL SECTOR AND CITIES:

THE CHALLENGE TO PLANNING

Rapid industrialization and urbanization have caused serious stresses in many of the nations of the Middle East, and they have presented challenges to planners in all aspects of the development process. The manner in which each nation responds to these challenges now will help to determine its future rate of development.

Two Middle Eastern oil producing nations which might serve as models of industrialization and planning in the future are Saudi Arabia and Iran. Saudi Arabia, with its vast oil reserves, has a great opportunity to use its oil power to generate economic growth, but the rapidity with which it undergoes this growth could put enough strains on the society to cause it great harm unless careful attention is given to planning over the next few decades. Recent changes in Saudi planning, however, are very encouraging.

In its second five year plan, Saudi Arabia has introduced a framework of ten to 20 year planning to provide perspective and long range guidelines to its five year plans. As a result of the new framework, three major changes in Saudi planning have occurred. The first of these changes is an emphasis on narrowing the industrial base in order to use resources to their best advantage. Instead of an ambitious policy of industrial diversification, the Saudis have decided to adopt a strategy of resource specialization in order to maximize their natural advantages in oil and minerals. They hope to overcome an overreliance on fuel oil export by developing an oil based chemical industry, and ultimately by 1990 they desire to export manufactured products from their oil wealth in larger amounts than they export fuel oil itself.

In anticipation of the time when income from the direct sale of fuel oil declines or disappears altogether, the Saudis have decided to invest enough of their surplus revenues abroad to assure that the revenue from these investments will be able to subsidize Saudi economic growth in the future. In addition, they have decided to limit oil production so as to retain oil reserves for as long as possible.

The second of the three major changes in Saudi planning resulting from the longer range framework is a greatly increased sense of urgency

in the harnessing of Western technology before the "one shot oil bonanza" is over. This has led to a decision to import large amounts of foreign manpower to maximize economic growth. Hitherto the Saudis have resisted taking this step out of fear that it would tend to undermine religious values and weaken the social structure. It has become clear, however, that failure to import such manpower might leave the country in a position of dangerous weakness after the leverage of oil power had diminished.

The Saudis have also decided to increase governmental reliance on and encouragement of free enterprise to promote economic growth. The role of government is conceived to be that of catalyst in the growth process and plans call for the government eventually to divest itself of ownership or control of the larger enterprises started under state control. Control of inflation is seen as the prerequisite for the stimulation of free enterprise.

The last of the three major changes in Saudi planning is the introduction of policies designed to assure that economic growth and modernization will not destroy the strength of Islam but rather that it will contribute to an Islamic renaissance. Until recently Saudi Arabia seemed to accept the Western assumption that modernization meant Westernization and that materialism naturally accompanied economic development. The aim now is to foster economic growth and an increase in living standards without attendant materialism. This is predicated on a program of upgrading the quality and increasing the extent of religious education, fostering free enterprise, replacing foreign manpower as soon as possible and preserving the "key institutions of Islam."

It is not certain that the above changes in Saudi planning will result in smooth and rapid economic growth, but the prospects seem to be encouraging.

Over the past 15 years, Iran has achieved an exceptional rate of economic growth. But Iran has had almost a half century of development experience even before it achieved rapid growth. Riza Shah Pahlavi, the father of the present Shah, had provided an early basis for potential growth by instituting important social and economic changes. Under his rule a National Bank was established, civil and commercial codes of law were initiated under secular authority, the Persian Gulf and the Caspian Sea were linked by railroad and the Shah encouraged education of Iranian students in foreign universities. Each of these changes, as well as others, were essential preconditions for future growth.

Two other factors were to benefit Iran greatly. The growth of the oil industry under the concession granted to the Anglo-Iranian

Oil Company in 1908 led to the establishment by 1950 of a vast modern industry employing thousands of workers. The emergence of Iran during the Second World War as an entrepôt for the transit of goods from the United States and Great Britain to the Soviet Union enhanced the position of the commercial class *vis-à-vis* the traditional landlords, and provided skills to many rural Iranians.

In 1949 Iran committed itself to its first comprehensive development program, but the oil crisis of 1951-54 aborted the program. Nevertheless, by 1955, with oil production and revenues restored, the government prepared to recommit the country to a development program. A government policy of cheap credit and other subsidies triggered a private industry boom in the period 1955-60 and by 1960 Iranian development was definitely under way.

Since 1967 Iran has achieved sustained annual increases in the GNP of about 12 per cent a year. In the cities a sizable and growing middle class is forming and an industrial labor force has increased from 400,000 in 1960 to 1.8 million in 1975. The government's land reform program in the early 1960s swept away a quasi-feudal land ownership system incompatible with the creation of a modern society. Finally, rising oil revenues in the 1960s and 1970s have provided the capital necessary for rapid growth.

There are a number of challenges facing Iran today. First, Iran must prepare itself for the time when industrial exports must take the place of oil as a major earner of foreign exchange. The emphasis must shift from just more industry to one of efficient industry. Second, industry must be brought into rural areas and traditional forms of agriculture must give way to modern methods in order to reduce the gap between rural and urban income. Finally, new urban industrial centers of manageable size must be created by locating new industry and its labor supply in cities other than Tehran. The question is whether Iran will be able to face these challenges quickly and wisely.

As has been seen in the Iranian case, industrialization and urbanization are not isolated phenomena. They are problems which must be faced simultaneously. Urbanization presents a very complex problem to planners. In the Arab nations of the Middle East, for example, urban population is growing at twice the national rate of population. This growth, moreover, is concentrated in the larger urban centers which must accommodate rates of in-migration varying from two per cent to 10 per cent annually. A large part of the population in these centers is under 15, adult literacy is generally very low, and large segments of the urban population constitute a "floating proletariat" seeking employment and the cheapest possible accommodations.

Planners have understandably directed their efforts towards projects which deal with specific problems and crises. For example,

authorities have concentrated on redevelopment projects to clear slums or divert migration flows. At the same time, planners have been unable to cope with new developmental pressures which have arisen, such as skyrocketing prices for urban land and unrestrained land speculation.

Policies aiming at channelling population movement in specific directions can only be successfully implemented through a coordinated program relating the location of industrial expansion to the rate and patterns of land development. Individual municipalities must not be treated as closed systems in isolation from national and regional forces. In Egypt, for example, the issue is no longer that of slowing rural migration and discouraging the growth of Cairo. Rather, it is one of averting growth of existing urban centers which eat up arable land at a rate faster than irrigation and land reclamation projects can create it. Population must be directed towards selected "growth poles" such as Aswan or new "frontier" regions such as Sinai.

The conventional tools of planning have failed to provide the instruments necessary to cope with rapid urbanization. Master plans and zoning ordinances, for example, are designed to prevent unwanted patterns of development rather than to initiate and implement growth strategies. Furthermore, they are alien to the traditional character of the Islamic city. The data on which a master plan is based are often obsolete by the time the plan is completed, but even when the data are accurate the methodology by which the plans are developed is often based on projections. Development, however, implies the disruption of past trends. Urban planning must move away from conventional regulation schemes to find new solutions which can cope with the rapidity of urbanization. Success would probably come from a mix of admittedly partial solutions that are combined in a mutually reinforcing manner for any given situation. The planner must be able to work with pragmatic partial tools without losing sight of the larger context of economic development.

The institutional framework for developing urban policies has proven deficient. Until now the urbanization process has not been viewed as an important vehicle for the implementation of national development objectives and planners have not had a clear picture of how public investment in one area has been affecting growth patterns elsewhere. In most Arab countries, including Saudi Arabia and Egypt, the institutional framework for proper coördination of objectives already exists at the Cabinet level in the form of national planning councils and committees, but the framework has yet to be properly used. Failure to do so may prove to be an important obstacle in the success of the overall development programs being pursued in the Middle East today.

THE IMPACT OF RAPID DEVELOPMENT ON THE COUNTRYSIDE:

IS IT BEING LEFT BEHIND?

Development of the rural economy is an essential ingredient for the successful modernization of Middle East societies. This premise, shared by all the panelists, implies a double strategy for rural development: direct involvement of the rural population in the development process and the application of appropriate means to increase productivity of the rural economy. Yet, even where the importance of rural development is recognized, traditional attitudes and patterns of authority between the center and periphery continue to be significant obstacles to development in the countryside.

The Importance of Rural Development

The countryside has a crucial role to play in the development of Middle Eastern societies for several reasons. The most obvious is that farm families and tribes represent a majority of the population in the region. They are the area's main biological resource; failure to utilize their full potential reduces significantly the total resources available for national development. Moreover, agriculture is second only to oil as a major component of GNP and as a source of foreign exchange. The costs of rural development, therefore, must be evaluated in relation to the very large potential contribution of the rural sector to *per capita* income and the balance of payments. Thirdly, agriculture offers a secure, long term source of savings and investment for industrialization after oil resources have been depleted. There is still a very large margin for growth in agriculture both by means of increased yields and by expansion of the cultivable land area.

Finally, agriculture is more than just a source of food and national income; it is a way of life. Rural culture with its distinct values, customs and institutions is rooted deeply in Middle East society, and the preservation and enrichment of that cultural tradition are a social benefit of immeasurable significance for future generations.

Much has been done to improve the life of the peasantry since the advent of national governments, but much remains to be done. Agricultural reform initiated by Egypt and pursued subsequently by other area governments emancipated the rural population. Development schemes including coöperatives and health and education projects have followed, increasing the general level of welfare in the countryside. But despite these efforts, the rural sector remains deprived. In Egypt one-third of the peasantry is landless, even after one of the most successful land reform programs in the world. In almost all Middle Eastern countries, the countryside suffers from low income, low productivity and increasing population pressures leading to urban migration and the proliferation of slums and the urban poor. But if comprehensive rural development beyond agrarian reform appears to be a logical strategy for avoiding these difficulties, there are many problems to be overcome first.

Obstacles to Rural Development

The extreme heterogeneity of the rural population in the Middle East hinders understanding and communication between policy makers at the center and the objects of policy in the periphery. The relative homogeneity of elite groups in power is very often in sharp contrast to the diversity of clan, tribal, ethnic, linguistic, religious and regional loyalties characteristic of people in the countryside. Yemeni society, for example, is a mosaic of nomads in the east, strong clan structures in the highlands, and Somali population in the Tihama lowlands overlaid by political and religious distinctions between Zaydi and Shaf'i sects. In many areas of the region, relations between the center and periphery are also complicated by the prevailing mode of production. Thus, bureaucracies at the center, concerned about government control, taxation and potential threats to the state, may view quite differently farmers of irrigated land, dry farmers and nomads; conversely, the dependence of these groups on the state and their desire for government assistance will vary as well.

Another difficulty involves the distribution of power and authority. Most experts agree that rural development requires local participation in the identification of local needs and priorities. But this requires the devolution of power to local political and administrative structures and not just the dispersion of administrative personnel who are still responsible to the center and not the local jurisdictions that they are supposed to serve. Few Middle Eastern governments are willing to share power in this way. An exception is Egypt, where the local election of officials at the district level may lead to more responsive government, but even there it will be

some time before the rural population's traditional distrust of the center can be overcome.

The structure of power and authority is also related to government's interest in rural development and the kind of development it is likely to permit. Regimes that rely on rural elites to extend their power, for example, are unlikely to promote land reform, while a single party mobilization system interested in eliminating alternative elites might well distribute land as a means of coöpting the rural population. But even where interest is high, the capacity of government to deliver the required resources and services to the countryside is open to serious question.

Finally, the costs of rural development must be considered. In a situation of general scarcity, urban elites may prefer to service the needs of the urban areas before they turn to the countryside, not only because they live there but because it is cheaper. On the other hand, rural development also entails social costs to the periphery. As access to the city increases so does its attraction for the rural population, leading to urban migration. Apart from the difficulties this creates for the urban sector, the periphery may lose from this process, too. The advantage gained from the reduction of population pressure on the land may be more than offset by the loss of the most productive and innovative elements of the rural population. The same is true of migrant workers going to Europe or Saudi Arabia and the Gulf states. The net result is a reduction in the capacity for rural development, even if the requisite resources and services are forthcoming.

A Strategy for Rural Development

What can be done to overcome the many obstacles to rural development? One strategy that is unlikely to work is reliance on large scale development schemes, whether in industry or agriculture. Such projects only accentuate the already large gap between the traditional and modern sectors of the economy, further estranging the general population from the benefits of development. The importation of sophisticated technology is very costly, just as it fails to exploit and develop local skills. The result is unbalanced development with no popular base.

One alternative is to turn the process upside down by stressing the direct involvement of the population at all levels and in all aspects of project planning and implementation. Development planning should begin at the bottom, not at the top. A major criterion for project selection should be the needs and desires of the rural population, not what government wants. The key element here is popular participation in development in which the rural population becomes the subject and not the object of policy.

Certain consequences follow from rural development conceived in this way. It means planning, programming and implementing small scale projects and using them as building blocks for intermediate and large scale projects; it means using existing resources such as artisan skills and cottage industries to the maximum extent possible; and it means reliance on labor intensive, intermediate technology. In addition, the developmental impact derived from full utilization of resources and local involvement can be multiplied by training local influential personages such as village elders, successful farmers, religious leaders and artisans to train others in the use of new methods and techniques.

This perspective has implications for investment financing as well. The oil producing countries, for example, could use their revenue surpluses as an incentive for local participation. By taking oil wealth to the people, these governments could mobilize their rural populations for development. But such a scheme would be most effective only if local communities were required to determine their own project priorities and to contribute their own time and labor to carry them out.

Finally, the principal objective of development should be to increase the productivity of the countryside. The organization of agricultural production is the central issue in this respect. Past experience indicates that collective forms of agriculture do not necessarily increase production. The criterion must be efficiency, and the Egyptian case suggests some of the variables involved. All land reform schemes seek to do two things: to provide land to as many people as possible and to create as many farms of economic size as possible. In most cases these are incompatible objectives, but a compromise is possible. In Egypt, for example, farms of 10-25 *faddan* size are the most dynamic and efficient in the country, whereas the 2-3 *faddan* farm was the basic unit of Nasser's agrarian reform. If a greater emphasis had been given to size coupled with projects that would provide part time non-farm employment for the smallest land-owners, the results of land reform both in terms of production and employment might have been even better than they were.

Of course not all Middle Eastern countries are situated along the fertile Nile valley. But an emphasis on productivity suggests opportunities even in countries with arid and semi-arid land. For example, pastoralism, the traditional livelihood of the Bedouin, could be developed into a modern, efficient industry such as exists in Australia today.

In summary, the essential point is that Middle Eastern countries cannot develop without developing the rural areas. People living in

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the towns and cities cannot be fed by taking food from the countryside; the productivity of the rural sector must be increased. This suggests the need for greater participation and involvement of the rural population in the development process and a more efficient use of human and natural resources already present in these countries.

BANQUET ADDRESS

SIX GLOBAL FORCES IN SEARCH OF A STAGE

James P. Grant

Thank you, Dean Brown, ladies and gentlemen. My talk is entitled "Six Global Forces in Search of a Stage." You are discussing development of the Middle East in this conference. Most of you know more about the Middle East than I do, certainly currently. What I would like to talk about today, therefore, is the external forces that influence events in the Middle East. We have all been shaken up in the United States in the last several years by events in the Middle East. The actors out there have had a profound impact on us, and I think it is useful to take a look at the reverse, the variety of forces impinging on development in the Middle East. Just as the Arab-Israeli war has had such a profound impact on us, many of the global events - some economic, many of them non-economic - affect development in that part of the world. I would like to address myself now to six of these forces.

The first of these is that the world is now approaching the end of a multi-century era of white colonial rule. Since World War II, we have seen over 80 nations get their independence. More than a billion people have begun to run their own affairs. Yet there are still two volcanically active areas that have not yet emerged from the colonial era.

The first of these is clearly in Southern Africa and reaches into the Middle East, where - at the time of the last Middle East war - the African countries decisively supported the Arab countries and the OPEC action. They did so in large part because of their need for support from the Arab and OPEC countries in their conflict in Southern Africa. This is a conflict that almost certainly, one hopes, will ease if Namibian and Rhodesian problems are solved. I suspect, however, that the South Africa problem will be with us for at least another decade or more and that it will continue to impinge on events in the Middle East.

The second area of colonial activity (although we don't normally think of it as such) is the conflict between the Chinese and the

Russians. This conflict owes a great part of its current fervor to the fact that the Russians, toward the end of the last century, took over a large part of what was really an area of Chinese influence. This whole issue has not yet been resolved; a principal consequence of this old, but continuing, conflict is that the Chinese and the Russians are on opposite sides of almost every issue in the Middle East.

Colonialism makes itself felt in the Middle East in yet another context. It is safe to say, I think, that many of the Arab states have sought to brand Israel's role in the Middle East as being equivalent to the Southern Africa situation of colonial domination. This is what makes it so dangerous, it seems to me, for the Israelis to identify themselves in any way with South Africa, because it obviously greatly reinforces the image of Israel as still representing the tail-end of an outgoing era.

The second major global force affecting the world today - that can at any moment affect political events in the Middle East as well as development in the Middle East - is the Cold War. This is something I know the old Middle East hands don't need to be reminded of at all. I suppose that there is no part of the world in which the Cold War has as dramatic an impact over the past two decades as it has in the Middle East. The USSR is certainly finding it hard to fish in Middle East waters; the events in Egypt of the recent years, and the Syria-Lebanon developments must be frustrating for the Soviets. In my judgment, existence of the Cold War clearly prevents any talk about the use of force in the Middle East from being realized - regardless of what the oil producing countries do in terms of their exports of oil either to Europe or to the United States. To become convinced of this fact, one need only speculate about what would happen if - at the worst - the Shah were to be assassinated tomorrow and chaos were to break out in Iran: the Cold War could easily produce immediate and active intervention on that scene.

The third major force in the world that is affecting Middle East developments - it already has caused great changes there - is this whole new force that we call "interdependence." This interdependence has resulted in increasingly close ties among nations and has made world coöperation far more important than in the past (and many of our troubles in the last two or three years are due to the fact that coöperation has broken down all over the world.) It is useful to remember that the world has seen unprecedented prosperity since the end of World War II, that it has gone from one trillion dollars gross global product in the late 1940s to a three trillion dollar gross global product in the early 1970s - this represents unprecedented growth. But this extremely rapid growth began to lead to breakdowns in systems - environmental, economic - these breakdowns were really like the short circuits in a kitchen that result when the use of too many appliances blows out the fuse.

The breakdowns first became evident in the late 1960s as the ecological overloads began to make themselves felt - in the pollution of the cities; in the pollution of the lakes and the seas; and in the amount of the world fish catch, which, after having grown at unprecedented rates for 20 years, has actually fallen and still hasn't reached its previous levels. The breakdown also became evident as global demand shifted in commodity after commodity from being a buyers' market to a sellers' market; most notably in oil, we saw the shift of power move to the sellers, who heretofore had never had that kind of power. The fact that these new powers had grievances against the United States and other Western powers brought about the first OPEC action. It is clear that the oil countries still retain that newly found power; one need only look at the rising power of countries such as Nigeria to know that this is a real factor on the current scene. Another "system overload" that has resulted as the world has continued to increase its rate of growth is reflected in the shortages of food. There was a period of several years when there were actually real shortages. But even now the reserves are at the very low level of three years ago. The monetary system, too, has broken down and inflation has soared; it is interesting that one quarter of this global inflation in 1973 and 1974, according to the Federal Reserve Board, is the product of the system that we in the United States managed (i.e. food), another quarter emerged from the system that the OPEC countries managed (i.e. oil); together we have managed to muck up the world rather nicely. The reasons for this soaring demand, of course, are the population explosion and rising affluence; together, they have doubled the annual rate of increase in demand in the last 20 years, compared with the years before.

This unprecedented growth is analogous to a car that has been going too fast on a curvy mountain road: we've been overrunning the curves. And when one thinks that we ran into all these problems when the gross global product hit the third trillion dollars, it becomes overwhelming to consider that, if the world continues to grow in the next 25 years the way it grew in the ten year period from 1963 to 1973, this three trillion dollars would reach 10 trillion dollars. Thus, if we had problems of the environment, of system's overloads in going from the second to the third trillion dollars, think what the problems will be as we approach the tenth trillion!

So it is clear that if the world is going to have anything like the growth in the next 25 years that it has had in the last 15 to 20 years, the world either needs to develop a whole set of new systems or to revamp current systems - for regulating the seas, for producing food, and for managing energy. We have made a start on building a new food system that can carry us through to the year 2000. We haven't remotely begun, however, to make a start on creating an energy system

that can carry us to 1985 or 1990, to say nothing of the year 2000. All that has been done in energy so far has been of a stopgap nature.

What are the implications of this third force of growing interdependence for the Middle East? First, I think it clearly means that the Middle East will have continued bargaining power as a result of its oil. The Middle East countries will have a relatively free hand for the interim period, particularly if they maintain collective solidarity with the other developing countries. Second, I think the degree of poor management that has been made of the world order system at this time means that we are virtually certain of continued major significant inflation for the next ten or twelve years unless some major changes are made that are not immediately in sight. Again, this gives great power to countries such as Saudi Arabia, with its vast financial reserves.

The fourth major "wind," "actor" or "force" blowing on the world scene and impinging on events in the Middle East is the friction and the heat growing out of global growth without adequate sharing between countries. If we look back far enough - to 1776 - the income disparity between the United States, and let's say, India was about 3 to 1. Today that disparity is about 14 to 1; and the gap is still growing. In the last 25 years, if the *per capita* income in a poor African country had grown 3 per cent a year, it would have gone up from \$60 to \$120. During the same period that same 3 per cent for us Americans would have increased our *per capita* income from \$2,500 to over \$5,000, resulting in an ever widening gap.

It is quite clear that we need to face up to the fact that the existing international system - which was built by the dominant powers of the day - tends to be skewed in varying degrees in favor of those who created it for their own purposes; and there is a very real sense of grievance on the international scene that reminds me of the sense of grievance I found in my youth when I first went down to the southern part of the United States and found that most people felt that many of the systems - the railroad rate structures, etc. - in the United States were skewed against them this way. (I was interested to read a piece by [now President-elect] Carter on this.) The UNCTAD meetings of the 1960s and the Group of 77 have grown out of this frustration at the international level. It was because of this frustration that, at the moment of the OPEC action, all the developing countries of the world virtually came on the side of OPEC; this uniform sense of grievance toward the industrial "haves" of the world has, in effect, created a "trade union" of developing countries who want a very different sharing in the international decision making and in the benefits of growth.

This cohesion has been remarkable. I have talked to US government officials before virtually every major international meeting for

the last four years and, with one exception, the United States grossly underestimated the cohesion of the developing countries going into that session. In part, this cohesion comes out of the recalcitrance of the developed countries in being willing to face up to the fact that the world is changing and needs to change at an ever faster rate. And the United States, being more removed from this than the Japanese or the Europeans, has been the slowest of all to make this adjustment to the changing scene. This explains in part why, prior to the Seventh Special Session of the UN General Assembly, the United States in that year was more isolated inside the United Nations on key votes than the Soviet Union was in the worst phase of the early 1950s. This was a rather remarkable and discouraging position for the United States to be in - and a position that only changed beginning with the Kissinger speech at the Seventh Special Session of the United Nations.

Another reason for developing country cohesion is that the OPEC countries have handled themselves with far more skill in dealing with the rest of the developing countries than most of us had thought possible. The Sixth Special Session of the UN General Assembly, for example, was quite a brilliant piece of diplomacy on the part of the OPEC countries. The Paris talks, the bargaining they did there to broaden it beyond oil, was another major piece of diplomacy. The short run implications of this very strong cohesion of the developing countries is that it gives the OPEC countries very great bargaining power. My own belief is that, if the rest of the developing countries would desert OPEC, the OPEC countries would not have anything like the sort of psychological, diplomatic strength that it has to move on the price field when it has a hundred other developing countries behind them. At present, that cohesion is very tight.

Let us take a look at what the widening gap between the rich and the poor nations really means. The developing countries break down into three categories: there is a group of, if you so want to call it, the "newer rich" of the developing countries - mostly the oil rich, Saudi Arabia, Venezuela, Iran - with about 60 or 70 million people. What these countries are seeking is to stabilize their new status. The second group of developing countries are the "middle income" developing countries; most of the Latin American countries fall into this category. Most of the Middle Eastern countries - Morocco, Tunisia, Algeria - also fall into this category as well. As one looks ahead at what these countries want from the industrial "haves" is equality - what they call equality of opportunity, equality of access to our markets, better access to the financial resources of the industrial countries. These countries are growing much more rapidly than we are today. Latin America provides an interesting example. Latin America's GNP today is about the same as that of Europe in 1950. It is quite clear that by 1990, or thereabouts, much of

Latin America, assuming the world economic system works, will be where Europe was in the late 1950s and early 1960s. I think the Middle East as a whole, too, will be - toward the year 2000 - at a level not too different from the Europe of the early 1950s. Finally, there is a "low income" group of countries which are an entirely different category. These are the countries having *per capita* incomes less than \$200-\$250; these countries constitute a quarter of the world's population and even today have less than half the *per capita* income that we in the United States had in 1776, and even if everything goes very well, by the year 2000, will have a *per capita* income that is about two-thirds of what the United States had in 1776. These countries need concessional aid; they need debt relief; they are the poor of the world society.

What are the implications of this gap between developed and developing countries for us? One possibility is for us to continue the policy of confrontation with all three categories of developing countries, the richer ones, the middle income, and the lower income countries - as was our policy up to the Seventh Special Session. This policy would almost certainly take us down the path of global chaos and very little, and possibly no, growth in *per capita* incomes.

The second possibility is for us to try to deal selectively with these categories. There are some that argue that the United States should try to coöpt the richer ones, i.e. to bring the Irans, the Saudi Arabias and the Brazils into the rich man's club and make them a part of that system. I myself think we ought to try to bring the more advanced countries into the system. But I don't think that we can coöpt them. We certainly can't coöpt the richer Arab countries until after there is some fundamental Israeli settlement. I don't think we can coöpt Venezuela, unless there is a more general adjustment between the United States and Latin America.

A third possibility is for the developed countries to try to make their accommodations with the middle and higher income countries of the Middle East, Latin America and East Asia. For us to make the accommodation would require their greatly increased access to our markets. They want to get their manufactured goods to us on a large scale, on a scale which will lead to considerable job displacement in the industrial countries. I myself doubt that the industrial countries can get the popular support needed for that kind of a settlement, except in an even broader context. I will return to this in a moment.

Another possibility would be to try to deal largely with the poorest countries, and do it via aid. In many ways, this would be the cheapest way of easing the present situation on the oil price front. It's very clear that, if we had done significantly more on the development coöperation route over the last 10 years, the bulk of these countries would not have backed the OPEC countries to the extent and

the degree of harshness in their action. And this would need to be associated with some trade and financial measures of particular appeal to the middle income countries. But would we make the needed aid dollars available?

There is yet another possibility: that the United States, being more removed from developing countries than Europe and Japan, will move very slowly and that Europe and Japan will make their own arrangements to a much greater extent. The Lomé Convention of a year and a half ago is an illustration of this. But even this, it seems to me, is hard for Europe and Japan to do as long as they have the links that they have with us.

As I look at these various alternatives, therefore, the only solution I see that makes sense is that, somewhere in the next two to four years, the developed countries come with a comprehensive approach that takes into account the need of the poorest countries as well as the middle income countries and those that are on the verge of moving into the group of developed countries. We cannot be selective in which group of countries we will deal with if the United States and other industrial countries are to have the degree of coöperation they require for their own continued progress and well being. I think our policy will have to be a coherent whole. And this will have great implications for the Middle East.

During the period before we reach that kind of more global approach, the OPEC countries will retain very high bargaining power with the developed countries. Another implication of this is that it will mean that there will be a substantial amount of OPEC aid to the other developing countries because of their need to maintain the cohesive support and coöperation of those countries. And finally this is a very nascent development - the developing countries today are using a new phrase - a phrase that has many different meanings - "collective self-reliance." For some, it means a kind of delinking from the industrial countries the way Eastern Europe did from the West, the way China did; but for most, it means that the developing countries should make preferential trading arrangements with each other, that they should develop financial measures for working with each other. Most people in the industrial centers today seem to laugh and scoff at this. My own judgment is that, two to three years from now, we will find that a significant amount of progress has been made in terms of preferential arrangements that will be a rather pale analogy to the measures taken in Western Europe in the 1950s toward European economic coöperation. Something very real is going on.

The fifth actor on this stage, the fifth global force affecting Middle East development, is the fact that most developing countries are faced with growth without adequate sharing within them - that, in

most developing countries, development is far more skewed between those for whom the system is working and those for whom the system is not working than was the case in the industrial countries of Western Europe and North America during our early stages of development. In the poorer countries of today, there are poor majorities largely left out of the development process. Even in the more advanced developing countries, the disparities are quite extreme. This is, for example, acutely noticeable in Algeria. Algeria calls itself a socialist state, has a significant group that is reasonably well off, and a vast majority that is poorly off. In contrast, Taiwan which has the same income as Algeria, is infinitely further along in addressing the basic needs of its people; this contrast is even more acutely evident if one compares one of the poorer countries that is doing well on addressing minimum human needs - for instance, Sri Lanka (Ceylon, as many of us know it) has one-quarter of Algeria's income, but life expectancy in Sri Lanka is 68 compared to Algeria's 53. Sri Lanka's infant mortality is 50 compared to 128 per thousand in Algeria. The death rate is six compared to 15 in Algeria. Its literacy is 76 compared to 20 in Algeria. This is just a way of dramatizing how poor the quality of development is in so many of the developing countries, particularly in the Middle East.

Because of this growth without adequate sharing, a whole new set of concepts of development is emerging. Until recently, the focus was on, as most of you know, growth of output. Then, in recent years, a new set of concepts called "growth from below," "percolate up," "direct address of basic human needs" has emerged. This set of concepts has not yet made a significant impact on the Middle East, but it is making itself felt in the thinking around the world. The World Employment Conference adopted a new approach to development as its underlying theme last July - "the direct address of basic human needs" - and, as you know, our AID legislation now includes the requirement that the bulk of our development aid will be used for directly addressing basic human needs. Robert McNamara, at his address in Manila, laid out the same policy for World Bank lending over the next ten years. Clearly the whole concept of development is in the process of shifting.

This leads me then to the sixth "wind," "actor" or "force" - choose your own descriptive word - on the global scene that is making itself felt in the Middle East. There is a whole new questioning as to the "what" of development. Until now, the developing countries and the development planners in the West have had the same objective of "the good life." But, as you know, Americans are beginning to question what the good life in our own society is. We are questioning the waste in our society and the incongruous situation that the biggest killer in our society today is our own consumption patterns. I was told the other day (although I haven't actually seen this confirmed in data) that there are as many malnourished people over 40 in the

United States as percentage of the population as there are in India. But, whereas in India, people are malnourished because they are undernourished, we are malnourished because we are overnourished. But the consequences in terms of the death rate of people over 40 are exactly the same. This is a rather sobering thought.

Within the developing countries, at a time when many see us questioning what development is directed at, there is a lot of talk that goes under the rather hazy label of "self-reliance" - a term that means many things to many people. But it is gradually coming to mean not only being less dependent on the outside world but being less dependent upon the concepts and values - and media - of the outside world. Much more attention is being paid to "how do you take the additional values that were in our society and build on them."

It is very interesting that in China - a society we think of as revolutionary - there is infinitely more building on the traditional values of China than there is interest in Turkey in building on the old Turkish values. In fact, I would say Atatürk and his whole concept of development was the antithesis of building on traditional values, of trying to find out what in the society can be retained and built on. And Algeria is very similar in many ways, in my judgment, to Atatürkian Turkey. It is a wholesale rejection of old values. But I think that over the next ten years we are going to find that thing that Gandhi was groping for, that Nyerere is groping for, that the Chinese Maoists are seeking, will become increasingly important. I was interested to find on my trip to Taiwan in August that the Taiwanese are making a major effort to find their roots and to build on those values, rather than trying to become "another Japan." I don't know what the meaning of this search for closer links to traditional values is for the Middle East. It seems to me that the Middle East, the Islamic societies, really has a crisis of identity. It's possible for Latin Americans (at the least the non-Indians) to think of being European, but how really Europeanized can the Middle East become?

Now that I have talked about these six forces, let me close by suggesting what their meanings are for us here tonight.

First, it seems to me that these six global forces add up to the fact that the world is really at a point of historic transition. We are at a point of transition easily as great as that of the post-World War II era. It is clear that we need to build a whole new set of systems and values to carry us through the next 25 to 50 years. It is a process, however, that is going to be infinitely more difficult than the process needed in the post-World War II era for two reasons:

1. No one or two countries are in charge on the world scene in the mid- and late-1970s in the way there were two countries in charge in the late 1940s, the United States in the non-communist world and the USSR in the communist world. Today we have been sufficiently successful in our foreign policy of the last 50 years that no one is in charge. We've created a scene of great pluralism; increasingly we are just first among many and, I should say, we have prospered very well under this system. But it is a very different scene than that of 25 years ago; it demands that the world create new structures to replace the Super Power hegemony of the earlier part of the postwar period and (whether it is the UN or the OECD) a variety of structures need to be built and strengthened.

2. No one is in charge at home. For those of us who knew the power of the Executive Branch in the 1940s and the 1950s, it may have seemed that Truman had a lot of frustration in dealing with the Congress, but that frustration is nothing like the problems that our next President will have: the post-Vietnam and post-Watergate cynicism, new powers in the Congress, no big people to deal with in the Congress to make the deals - power is fragmented there too.

Thus we have the problem that no one is in charge on the world scene and no one is in charge at home. This may sound fairly pessimistic for an increasingly complex and interdependent world, but it seems to me that this is something with which Americans ought to be able to cope. Pluralism is what we have built into our Constitution; it was the heart of our Declaration of Independence; but it does mean that we have a new set of challenges. It is worth remembering that we have gone through as many major changes in our own society in the last 20 years as in any other 20 year period, with most of these changes having come through "people leadership" in the areas of civil rights, environment, the women's movement, Watergate. Each of these has resulted essentially from leadership exercised from below rather than from the executive.

What are the implications of this for those of us today looking at the Middle East? It seems to me that progress in dealing with the problems on the global scene and in our relationship with the Middle East turn more than ever before on citizen action. It means that citizens have to do much more thinking about what ought to be the right policies for that part of the world. That's why meetings such as this take on significantly greater meaning than a similar meeting would have had 20 years ago. Because if needed new concepts don't come out of groups such as this, there isn't likely to be effective forward movement.

Secondly, the kinds of global forces in existence today make it necessary that groups such as this press for action. If there

had been no pressure in the women's rights field, in the environment field, from below, nothing very much would have happened. The responsibility is in the hands of the people like you in this room to a degree that, to me, is very sobering. I would say that each of you in this room has more capacity to influence events than 500 Europeans or two or three thousand South Asians. What do I mean by this? Well, partially, the fact that because we are wealthier than the average South Asian, we have a command of much greater resources - but that's the very minor part of our greater capacity to influence. Much more important is that, while the United States may be only one among a number of countries today, too little really useful can get done in this world without our help. There is a vast difference between the influence of the United States and of the Netherlands or Canada or even France or Germany; and so an American citizen is part of a country that has a major role. Moreover, our system of government is uniquely suited to citizen action. Our division of power between the Congress and the Executive means that citizens can take action far more effectively than in a parliamentary system. Citizens would have had much greater difficulty in halting an SST through citizen action in the UK or in Canada. In our society that is possible because it is far more possible for the Congress to act separately.

We have a tradition of citizen action in our society that really is unique, far more so than the French, the British or the Italians. Herein lies the value of a conference such as this: herein also lies the value a new citizens' organization called New Directions - a *de facto* twin to Common Cause - to deal with international affairs in Washington. This tradition is the strength of our society and, unless people like us can organize ourselves to carry forward with thinking and action in these areas, the prospects for forward movement are really quite slight.

Let me close on one sobering note. I was in South Africa several months ago and saw first hand a situation that would cause most Americans really to get very upset at the skewed system of four million whites, 20 million non-whites; the four million whites have 20 billion *rand* of the national product, and the 20 million non-whites have only five billion *rand*. We would, I think, all agree that there has to be a major change soon in the way that system works, on equity and justice grounds in particular, but also because growth is slowing rapidly in this incredibly rich country because of internal tensions. The day I left South Africa, it dawned on me that the system inside South Africa represents virtually the same pattern of distribution as that we have globally. The USSR, Eastern Europe, Western Europe, North America and Japan together represent in the world the same proportion of the world population as those four million whites in South Africa, and we control about the same share of the world's product as do the whites in South Africa. Of course, the countries of the world are not

under one legal government, but as we discovered with the OPEC actions of several years ago, we are increasingly dependent on each other and on building governmental and private international structures affecting all countries.

The challenge for the world is one of time. We cannot wait too long or something will come apart; I guess there is no group of people more aware of how progress is not inevitable than those of us here who are familiar with the Middle East. Because the history of the Middle East is that of one civilization after another, of civilizations which have reached a certain peak, only not to meet their challenges and then to fall. Thus, the challenge that people like us face now is to react in time so that our civilization and values, too, don't become just another layer in the history of civilization.

Thank you.

A NEW FACTOR IN THE EQUATION:

WOMEN AND DEVELOPMENT

There has been decided unevenness in the repercussions of development processes in the Arab world on the status of women in these countries. Examination of four very different cases reflects the variation in adjustments to change in the Middle East affecting women.

In Rabat, Morocco, one finds a high incidence of households headed by women. In this situation, women act as providers, and a type of "pseudo-matriarchy" has evolved. This is the result of a process of change that has taken place; as agriculture is commercialized, it becomes increasingly difficult to find work on the land, and rural families are forced to migrate to the city for employment. The unskilled woman of the family easily finds work as a domestic in Rabat, for example, where there is a large bureaucracy. The unskilled man is unable to find employment and joins the mass of migrant labor. Thus, while the man becomes transient, the woman forms the stable element in the household and begins to make the decisions on all levels.

In a Druze village in Lebanon, one finds the same factors of commercialized agriculture and subsequent lack of rural employment opportunities. However, in this case, the men choose to migrate alone to find work and leave their women at home. When work is secured elsewhere, money is sent home to support the household, to insure that the women in the family have no need to work.

In Iraq, professional women share equal opportunities with men. At the university level, women are enrolling in large numbers. They are joining the professional labor force in equally great numbers. In the social/cultural sphere, one of the desired, often required, qualities for a woman in marriage is that she have an education and salaried employment.

In Saudi Arabia, one finds the other extreme. While there is a severe labor shortage and substantial immigrant labor is essential, women are excluded from the labor force. Recently the government of

Saudi Arabia decreed that a man would be paid for each woman and child in his home. The objectives are numerous: to increase the population of the country, to emphasize the woman's role of child rearing, etc. The implication of the decree constitutes an attempt to hold back the natural progression throughout the Middle East of women moving outside the domestic sphere into the public sector.

These four cases serve to illustrate the variations in the change of the status of women in the Arab world, and differing roles in the process of development.

Focusing on female factory workers in one country - Egypt - serves as one gauge to measure the role of women in development. The traditional gauge has tended to be the flow of women into the professional occupations, but this measure does not reflect adequately the complexity of the process. In Egypt, the flow of women into the professional occupations has been an extension of already determined social roles; women are teachers, for example, or members of the medical profession to treat other women. This is in contrast to the United States where women have been struggling for equal access to professions.

Female labor in the Egyptian industrial force dates back to the early nineteenth century. Economic need has been the operating factor. In this context, as a direct result of demand, women entered the labor force. Initially, they were working as an extension of their social roles: cotton spinning and weaving in the rural areas, and laboring in yarn manufacturing plants, for example, in the urban areas.

During the industrialization program of Muhammad 'Ali, women became involved in such things as construction of buildings and dams where they worked alongside men on the site. In the rural areas, women worked with the men where physical labor was demanded. Again, the shortage of labor was the deciding factor. Women entered the industrial labor force as a result of a shortage of male labor, a function of supply and demand of the market.

One result of the influx of women into the industrial labor force was that as women entered into the wage earning market, they tended to depress the wages of men. This was operative in the early twentieth century, where as early as 1934 one witnessed a factory strike in which men were protesting the employment of women and its depressing effect on their wages.

The early entry of women into the industrial labor force in Egypt had an impact on the national labor movement. The labor movement began in 1899, and women began taking an active part in the 1920s.

After 1952 substantial labor legislation was taken up by the government to ward off potential labor strikes and serve as a preventive measure. The first laws to regulate female employment were passed in 1933, protecting women from such things as night time employment, daily work excessive of nine hours, etc. In 1959 another set of laws was enacted, providing even greater protection for female factory workers. This legislation required, for example, that factories employing more than 100 women provide day care centers. It also called for the eradication of illiteracy among factory workers, especially high among women.

There have also been negative effects of women working side by side with men in the factories. Men have experienced psychological stress in admitting the need for their women to work. The rate of divorce has increased. Disruption of the family has occurred. There have been repeated incidents of abuse and violence involving women going to work early in the morning. While economic need often has forced men to accommodate the entry of women into the labor force, it was never welcomed. The veil has served as a symbol of prosperity in that it indicated no need for the woman to work. A man with a working wife, for example, who experiences an improvement in economic status, often reveals his wife to reflect that change.

In Jordan, one finds a shortage of male labor as a result of emigration to such countries as Saudi Arabia where there is a great demand for educated and skilled labor. Anticipating a further "brain drain," the Jordanian government recently showed determination to realize the potential of "womanpower" in Jordan to deal with this problem. A conference was held in Amman in March 1976 to examine the problem. In doing this, the Jordanians were laying a cornerstone, in that, rather than catering to the fluctuations and demands of the market, they were attempting to put their development plans on a firm basis, anticipating and avoiding the pitfalls and mistakes experienced elsewhere in the Arab world. They began the process by identifying the legal handicaps for women as citizens and workers and consequently striving to eliminate them. This is the contrary of the process in the United States, for example, where women first entered into new roles and were then forced to struggle to legalize their already established positions.

Thus one sees in Jordan - a country with limited resources and limited "manpower" - the government actively turning to women, thereby eliminating the necessity for women's struggle to be recognized.

In addition to noting the variation within the Arab world of the role of women in development, it is useful to approach the question within a global context, examining several models of social change. Three contrasting models serve to highlight both similarities and differences with the Arab experience.

The American model provides an example of great changes in the status and role of women, where at all levels, there has been a change in attitudes *vis-à-vis* the status of women. The existence of an organized women's liberation movement has had a great impact on social change in the United States.

The Chinese model contains more implications for Arab women. In Chinese society there exists great masses of poor, and one has seen a substantial change in the last few years. The status of women, as a consequence, has also witnessed change. There have been, however, negative psychological repercussions. Scores of women divorced their husbands in their newfound liberation. Society shunned them as a result, and depression and suicide were frequent. One could anticipate this in other societies where drastic change takes place in only one part of society.

In Cuba, one finds a model even more similar to the Arab world than the Chinese. Cuban society, like those of the Mediterranean, is a *machismo* culture. Women are oppressed, on one hand, put on a pedestal, on the other. She is to be adored, respected, but suppressed. In Cuba, the status of women has changed dramatically over the last few years, and the *machismo* atmosphere is waning. One can draw relevant parallels with the Arab world.

With Arab culture, there are two contrasting groups that must be differentiated in the context of women's role in the development process. Women of the middle and upper classes are fairly well off and enjoy the privileges and luxuries of their status. They possess the capability and potential of playing a very different role in development than the women of the lower class - the poor masses who experience oppression in the form of multiplicity of pregnancies, sexual abuse, incest and battering. In this latter case, it appears ludicrous to speak of "liberation" and a new factor in the process of development.

One could argue that there has been little substantial change in the status of women in the Arab world. Change has occurred only on a superficial level. While there are more educated and Westernized women, they constitute only a small minority. And although these women have reached a certain level of achievement in education, mannerisms, etc., they have become victims of psychological stress as a result. Unlike the United States where such women have large numbers of others to lend support, the educated Arab woman finds herself alone, alienated from the majority of the middle class population.

On the other hand, one can point to tremendous changes and trends affecting women that have taken place in the phases of development. Psychologically, women have become more confident, more

assertive and are asking for rights previously denied them. They have become more economically independent, embarking on professional careers for the first time. The women's movement throughout the world has had a positive impact on the consciousness of the Arab woman.

The most important element in this evolution has been education. In Lebanon, the first school for girls was established by a group of Presbyterian missionaries in 1834. It evolved into a large high school and later became the Beirut University College. In other countries, statistics reflect the impact of education: in Jordan in 1950 enrollment in schools was 25 per cent female; in 1975, 50 per cent of the students were female. In Qatar, over 50 per cent of the female population is now in school. In Egypt, where there were hunger strikes in the early nineteenth century to demand the right of education, it is now compulsory.

To further the interests of Arab women, the Beirut University College established the Institute for Women's Studies in the Arab World. The objectives of this Institute are numerous: (1) to collect information about Arab women; (2) to serve as a resource center/data bank for researchers, policy makers and planners; (3) to channel communication between the Arab world and other countries to arouse awareness and, (4) to act as a catalyst for action by decision makers and key officials.

The Institute has a documentation center with books, pamphlets, unpublished papers, conference proceedings, etc. It publishes a newsletter and holds seminars and workshops on the subject of women.

In the development process, Arab women must contend with the tenets of Islam. Is Islam egalitarian? This is a difficult question in light of the disagreement over traditional interpretation. In Islam, as in other religions, there has been a trend to interpret the written word to keep pace with change and be consistent with modern society. Customary and civil law are also operative. Thus one could argue that certain interpretations purport equality for women and a consequent role in social and economic development.

EDUCATION FOR DEVELOPMENT:

IS IT KEEPING PACE?

Two ways in which an examination of education for development can be approached are to examine the availability of and utilization by Middle Easterners of higher education in United States colleges and universities and also linkages between these institutions and countries in the Middle East. Neither of these factors is new, but new trends are developing, especially since 1973. Of all Middle Eastern students, 5-6000 are from Egypt; from Saudi Arabia there are over 5,000 and approaching 6,000; North Africa - i.e. Algeria and Libya - 2,000 from each; the United Arab Emirates sent 400 students in 1975 and 800 in 1976; and there are now 20,000 to 30,000 Iranian students in the United States. Some interest has been expressed by Syria and Iraq in sending students to the United States. Most of these students are field-of-study majors, concentrated in engineering and the sciences.

The number of students should continue to rise since the number of secondary school graduates is increasing (300,000 took the College Boards and there is a noticeable preference now for the United States). Also a sufficient amount of momentum has developed to insure a continuing influx of students from the Middle East.

Sometimes students who come here suffer from frustration and give up, or they remain here, or they return home and do not apply what they have learned. But they mainly go home and use their skills and they maintain the ties they have made with the United States. It is really too soon to evaluate the impact of schooling in the US but some critical attention should be given to the choice of and the potential use at home of the fields of study that are chosen.

Because of the increase in numbers of students studying in the US, the linkages have increased in scope, goals and expectations. Recently the American Council on Education completed a study of linkages between the US and Iran, the country with the largest number of students here. In this study US colleges were found to have made 22 formal agreements with Iran, six informal ones, and 20 agreements with governmental organizations. There are also, of course, individual

links. In general, long term agreements were preferred. It was discovered that the financial benefits were less than had been expected and that detailed negotiations were necessary. American universities with established Persian studies programs seemed to be the most successful, but the development of research capabilities seems to be limited. Nevertheless, expansion of linkages seems to be both possible and probable. Involvement of the United States in the education of Middle Eastern students will continue and no national effort seems to be necessary. It is necessary, at this time, to begin an evaluation of the educational product.

Saudi Arabia is turning its attention to the problem of the type of education received not only by Saudis but also by other Muslims. The planning the Saudis are doing for the establishment of a university in Mecca, to be developed with US aid, addresses this problem. Saudi Arabia sees higher education as a solution to many of its problems but it wishes to "Saudize" its intellectual community and to decrease its current dependence on the United States as well as its dependence on other Muslim countries. The University of Mecca is to be a comprehensive, Islamic university of the first order (i.e. a "world" university comparable to Harvard).

Planning for this university has already gone beyond the data collection stage and analysis of the project has been completed. One of the first questions asked was "Why another university?" There are now places available for college students; however, an examination of the "pipeline" that will feed such a university at the target date of the year 2000 reveals the need for a university for about 25,000 students, mainly Saudis, but also students from other Islamic countries. The decision has been made that it will have a mix of both men and women students in almost equal numbers. The matter of staffing the university has also been decided. The goals, i.e. whether the university should be a regional, national or international school and what faculties and departments should be established, were worked out by US consultants and a group of Saudi academics and administrators. The US team helped the Saudis to establish the *raison d'être* for particular kinds of departments and faculties. For instance, at first the Saudis felt that there was a need for a medical school for men, but in the course of the planning discussions, it was discovered that a medical school for women was really desired, and the final outcome was a decision to provide for both men and women. Another school that was seen as desirable at first by the Saudis was a school of agriculture; however, since the land near Mecca is not suitable for agriculture this idea was dropped. Planning is now underway on the development of the university in terms of space - classrooms, dormitories, cafeterias for 50,000 people *in toto*. This undertaking is made very difficult since the site outside Mecca has no roads,

electricity, sewer system, etc. Nevertheless, it is projected that the first structure will be open by 1983.

Another type of problem that faced the Saudis was finding answers for the philosophical questions concerning the type of university they wished to have. The final decision was that the university must be definitely Saudi, except during the initial period when outside teachers and ties to other Islamic institutions will be necessary. It also must be a first class institution with a heavy emphasis on the graduate program to prepare an élite cadre which will spread education to the whole country. Finally it must be an Islamic institution; this may pose problems in such fields as business administration and management courses but, when the concepts of Islam are understood by outsiders, it will be possible to design a compatible program.

There is good evidence today that shows the pipeline holds sufficient students to fill the University of Mecca and even, by the year 2000, for it to be selective in its admissions policy. For the present the influence of Western education will be felt and even be beneficial to the Saudi system. However, nationalistic and paternalistic trends, thoughts and concepts will eventually be dominant. This is understandable and the US stands ready to assist Saudi Arabia attain its goals.

Saudi Arabia is also concerned with obtaining US aid in improving elementary and secondary education. This is a very complex, difficult and unusual working set-up for Westerners because of the strong religious influence in Saudi Arabia, because of the segregation of the sexes, the lack of attention in the Saudi curriculum to the development of motor skills, and the extremely structured nature of the present educational system. At the moment, Saudi Arabia is looking for US experts to go to Saudi Arabia to give advice and assistance in developing the educational system. New ideas seem to be accepted and the Saudi educational system seems to be shifting away from one that is based on the British system toward one based on American techniques.

The problems encountered in the examination and assessment of the Saudi Arabian educational system are diverse. One problem is that of access, i.e. the possibility of students having a chance to enroll in the school system. There is no compulsory education at present. However, many schools have been founded and high participation is encouraged. Nevertheless, observation shows that fewer students are attending than are not, especially in remote areas. The system is also being undermined by such things as teachers' pay not being forthcoming for as long as three months at a time or physical equipment such as books or black boards and chalk being

unavailable in places where shipping facilities were not available. Another area where access to education breaks down is among the Bedouin. Bedouin children do not want to go to the schools now available, but have indicated that if mobile schools came to them they would be willing to attend them. Such a plan would overcome the Bedouin hesitancy about going to school in a "city" situation.

A second problem is the limited number of choices available to a student once a child has obtained access to the educational system. This comes in part from the highly structured nature of the society. The approach to education is dogmatic and it relies heavily on rote learning from books. In general, there is no training in small motor skills; the atmosphere is non-creative and stilted. Although conditions, geographic and historic, throughout the country make a centralized system difficult to administer, school districts have been established and administered rigidly; there is no autonomy for individual districts.

Still another problem facing the Saudis is the way in which education is to be used. In some ways education does not seem to be geared to use in Saudi Arabia, e.g. people trained as teachers often do not teach because of such factors as insufficient financial incentives and difficult working conditions, or Saudis trained in the United States and elsewhere do not return. Often when they do return their talents are "frittered away" and no use is made of their abilities in the areas for which they were trained. One way in which this problem could be alleviated would be to offer Saudis a stipend on the completion of their education to write a paper on how their talents could be applied and how they would be willing to participate in Saudi programs. This would help to recycle talent. There is a desire on the part of the Saudi Arabian government to discover ways to make outside training compatible with Islam and also to maximize use of trained people in Saudi Arabia.

It should be remembered, however, that the evaluation of success of Middle Eastern countries in meeting their trained manpower needs is a matter of perspective. If goals had been set 15 years ago in terms of reasonable allocation of the foreseeable resources, economic and human, and nothing had changed these goals, today we would be congratulating the planners, the administrators and the educators on their outstanding success in meeting and exceeding predetermined norms. For example, let us look at Libya. The University of Libya, established in 1956, has grown and developed in both a national and supra-national way. The growth has not been in just a quantitative way. Although there are now three universities, one at Tripoli, one at Benghazi, and one at Baida, in each of these institutions the senior administrative staff - the president, deans and assistant deans -

are highly trained, educated Libyans with earned doctorates from American, British and European universities. Therefore, from the perspective of 1962, there has been phenomenal growth. But Libya is a bright spot where money has been used lavishly.

Algeria can be used as another example. From 1962 through 1976 the number of foreign professors teaching in the Algerian educational system has more than quadrupled. Since 1970 the percentage of foreign professors has increased slightly, in spite of the large input of Algerian academics. This merely shows that the universities have developed at a greater rate than the needed supply of trained Algerian manpower required to staff them. On the other hand, Algeria has adopted innovative strategies. Responsibility for post-secondary education is increasingly invested in the ministry that will employ the students and a contract component is added to the training. This puts new organizations into the educational process; companies such as Raytheon, El Paso Natural Gas and General Telephone and Electronics now contract to do manpower training with provisions for training centers to be built in Algeria. Contractual arrangements are also made with universities, e.g. Boston University, for training teachers who will return to Algeria. These steps have been forced on Algeria by its need to meet manpower requirements.

Oman is the other end of the scale. Its development began three years ago. In Oman elementary schools had to be built first, which means that laborers had to be imported and then housing provided for them before work on schools could start. There has been, however, great progress there. Obviously Middle Eastern countries have varying amounts of resources, which means that some have great amounts of money for educational development. Nevertheless, the time span for education cannot be compressed and training for business administrators, doctors or teachers cannot be shortened beyond a minimum of 20 years and sometimes more. All of the countries of the Middle East have trouble in acquiring trained manpower and, while money can buy some things, it cannot buy the time needed for training.

In general, in quantitative terms the Middle East seems to be outstandingly successful. There are more children in school than 12 years ago but there is still a shortage of teachers and much to be done at the technical-vocational level. It would be a good thing to establish base-line data and make projections now so that it will be possible to see in the future if success has been achieved.

DEVELOPMENT AND TRADITIONAL SOCIO-CULTURAL VALUES:

CAN THE CONFLICT BE RESOLVED?

The current transformation of traditional Middle Eastern values has been marked by a challenge at the "development" level characterized by a growing desire on the part of Middle Eastern states to import technology from the West and by a challenge at the "socio-cultural" level where the region's heritage is increasingly forced to confront and then accommodate, assimilate or reject Western values. In the analysis below, these challenges will be examined in terms of tribal and village society with regional implications indicated and discussed in light of general development theory.

As development confronts traditional values serious problems arise. First, traditional value systems often differ within the same country. Second, new and not entirely compatible tendencies of thought and values often are not deeply engrained and their direction is neither clear nor definite. Third, these values often are received differently by different groups or individuals in different areas.

Values may be lost as social groups collapse. In the 1920s, the *shuyūkh asl*, a stratum of families of noble lineage, lived in Basrah and had long formed the backbone of the aristocracy of that city. They claimed descent from the old noble 'Aniza tribal confederation and placed honor above all other values. Occupations and marriages were determined on the basis of what was honorable. By the 1950s however, urban Iraq became more oriented toward money making. Wealth became the decisive measure of social differentiation and a *nouveau riche* stratum rose to supplant the *shuyūkh asl*.

Values may be lost as functions change. The tribal structure in much of the Middle East was basically oriented towards the military role which largely defined the existing tribal hierarchy. The aristocracy, mainly the people of the camel (*ahl al-ibil*), looked down upon, and would not marry with, the people of the sheep (*shawiya*) or the peasant tribesmen (*falāḥīn*). Love of liberty, warlike valor, manliness, courage and a zealous spirit were the central ideals of the dominant tribal culture. However, this kind of tribal society was undermined by the industrial age. In Syria and Iraq, landowning tribes replaced the fighting tribes and as tribesmen moved to

the towns, better communications, the vying by the more important tribal chiefs for the peasant tribesmen's allegiance and the consequent co-mingling of tribesmen, undercut traditional ties between the shaykh and his tribesmen.

Greater economic need may also be a factor. It has led once proud Iraqi tribesmen to accept wages for manual labor, no matter how humble. In Kuwayt, whole sections of tribes divorced from their old modes of life now find themselves settled down into parasitic lives. They are given homes and salaries, they cluster together in the same towns or town quarters, coming into activity only at certain points such as during elections when they vote in a manner answering to the purposes of the Ruling Family or during riots when they serve as auxiliaries to the police. However, their new roles tend to foster values quite different than their old mode of life promoted.

Some values may survive even as structures collapse or roles change. After World War I the old artisan guilds (*asṇāf*) of Baghdad maintained their most important value, mutual help. However, as the inflow of machine made goods increased, the *asṇāf* disintegrated but the value of mutual help persisted. Members of the *asṇāf* in the Bab al-Shaykh quarter of Baghdad found their way into the Communist Party of Iraq and that party provided them mutual support and a means of relief against economic vulnerability. In a sense, it served as a continuation of the old *asṇāf*.

The Jumayla tribe, which in the 19th century lived to the northwest of Baghdad, further illustrates this point. This tribe once lived off attacks on caravans or off earnings from its function as protector of the Shrine of Shaykh Jamil near Ramādī. By the 1950s these functions had declined and many of the Jumayla tribesmen joined the army. One of their number, 'Abd al-Salām 'Arif, helped engineer the July 1958 *coup* in Iraq, then dominated Iraq briefly during the 1960s, maintaining his political position by utilizing the old tribal loyalty of the Jumayla. He brought the 20th Brigade into Baghdad, infused it with men and non-commissioned officers from the Jumayla tribe, and gave a number of key military posts including commander of the Baghdad garrison, chief of staff and head of military intelligence to these tribesmen. Thus, the old tribalistic connections survived and were used in new contexts.

Takrītī clannishness has been used in much the same way to undergird the current ruling Ba'th regime in Iraq. Takrit, a town to the north of Baghdad, once survived on the production of rafts of inflated skins (*kalak*) that were used to navigate the Tigris River. With the advent of steamers and modern means of communication, the *kalak* industry collapsed. As a result, many Takritis left their town, moved to Baghdad, settled in the "Takata Quarter" of the capital, and

eventually found their way into the army where they have helped to maintain the supremacy of the Ba'th since 1968.

Some traditional values survive in part because they gain support from the Islamic value system. In the Arab countries, groups on opposite sides of a conflict or living in different objective situations may give a Muslim covering to values which they deem advantageous to emphasize. For example, on the question of determinism *versus* free will in Islam, the determinist could claim that the Quran says: "Say, that only will befall us which God has decreed for us." But the Quran also says: "God will change the condition of the people if they change what is in their hearts," which seems to support the free will position. Though these seemingly contradictory values could be reconciled, the fact that they often are not, helps explain how they can be used to support certain traditional values.

With respect to the impact of revolutionary thought on traditional values, three general observations were offered. First, revolutionary values tend to exist side by side with traditional values, corroding them, growing at their expense, but at the same time absorbing some of their psychological elements. Nationalism expressed in Islamic terms is one prime example.

Second, revolutionary values or new values tend to be resisted if they contradict traditional values that find sanction in the Quran. Egyptian attempts to change the status of women with regard to divorce and Iraqi attempts to place women on an equal status with men in matters of inheritance met with strong conservative resistance. In the end the Iraqi reform was revoked after General Qasim's regime was overthrown.

Finally, revolutionary values tend to take hold more easily if they are consistent with traditional values. Distrust or hatred of government is one such value which the Communists and others have fostered. However, this sentiment accords with values that reach very deep in Arab countries. Tribes hated government because to them it represented oppression, it was the "breaker of tribes," the force which destroyed their autonomy. A famous tribal chant underlines the contempt and disdain in which tribes held government: "It was a serpent and has no venom; We have come and have seen it; it is only aforesaid that it kept us in awe." Another saying, almost 1000 years old, makes a similar point: "Half the people are enemies to the holder of power, and this if he is just."

Distrust or hatred of government in the Arab countries is also due in part to the prevalence of unrepresentative and minority governments in the area. They are either drawn from a minority sect or

from a particular locality or from a narrow circle of families and then often rendered autonomous from society by the considerable financial power the massive influx of oil money has given them. With oil economies largely extraneous to the local economy and employing a relatively small number of people, such governments have a greater potential for absolutism and an increased ability to be insensitive to the feelings and needs of the people. As one panelist noted: "this situation obviously fosters the growth of disaffection and the progress of unsettling ideas."

Village life is also greatly affected by the process of development. Legal development, and the attendant policy planning process examined in terms of a village in the northern Biq'ā Valley of Lebanon, shows the impact planning has on those values.

Villagers in this half Shi'i Muslim, half Christian, town have a strong sense of community identity, village unity and respect for the local mediation processes. Dispute settlement and conflict management are largely governed by an internal village process which strengthens the traditional sense of local community and reinforces the political/economic networks which organize support and social control in the region. As a result most political and legal needs are met by the local community without resort to the formal legal system of the state.

Flexible personal support networks characterized by an extremely dense overlapping system of relations are reinforced and stabilized by external political networks which provide for influence bargaining (*wāsta*) from political brokers in times of crisis. The alternative is to use an external forum, the court, and some people are becoming more willing to rely on the court. Nevertheless, for several reasons, villagers generally avoid using such external forums.

First, regional community cohesiveness, honor and dignity support the feeling of understanding which emanates from within the people and which facilitates successful mediation. External governmental authority lacks these qualities. Second, the restrictive rules of evidence of formal court proceedings may block a full presentation of the social history of a case even though villagers often feel such a presentation would bear directly on questions of premeditation, fault, obligation and community conceptions of reasonable behavior. Third, lawyers, though required for pleadings, are avoided if possible, since they are expensive and are seldom interested in the local social or political implications of a case unless they are relatives or dependable members of one's external political network. Fourth, the formal legal system's method of finding truth may not follow local customary law, which villagers believe requires an intimate knowledge of the case, experience, the wisdom of age, honor and community values.

Legal planners must recognize that villagers want to maintain their current option of being able to choose between three alternate legal processes: internal support mechanisms and mediation, external political networks and the courts. To lose this triple option would put the villagers at a competitive disadvantage against those who have the influence, money and time to continue a complicated case through the legal system. Changes in this attitude may come. Younger members of the villages may become more "issue oriented" and less obligated to traditional power relations. Political brokers may be less willing in the future to provide support, advice, intercession and *wāsta* to individuals without clear-cut political and/or economic alliances. If, however, access to, or understanding of, the formal legal system continues to be limited by present conflicts in values and principles of jurisdiction and authority, these villages may become increasingly insular as they attempt to maintain their local support, fearing external exploitation. The villagers must not simply be studied by legal planners, if these difficulties are to be overcome, the villagers must be brought into the process.

In examining development, concern must not center exclusively on the confrontation between development and values such as authoritarianism, compassion, justice, freedom, honesty, stability, order and honor, for this confrontation exists within both developed and developing societies. More important is the concern with some predictability about the future. In the 1950s and 1960s, development was a tool used in the strategic quarrel between the superpowers. Their interest in Third World countries centered on political development which could serve to insure stability and predictability in international influence. The crises of the late 1960s and early 1970s have shifted the emphasis of development from political predictability to economic predictability. Throughout all of this, however, the problem of injustice stemming from a re-adjustment in the international economic system was not a major concern.

Now it is time to re-conceptualize development by linking it to two major issues, demography and politics, in order to minimize "structural violence" or "structural victimization." Rather than simply monitoring overt violence, hostility and conflict, analysis should turn to an inquiry into the subtle problem of how certain types of "violence" in a society limit the chance people have to fulfill themselves and their aspirations. "Victimization" of this type, growing out of a maldistribution of benefits, is often not the result of direct, intentional behavior, but rather a consequence of structural inequalities.

This problem of structural victimization and structural violence is acute in Arab societies. Future projections underline the urgency involved. By the year 2000 in Egypt, for example, the population, according to some studies, will have increased by 35 million - or 1.5

million per year. This would require 300,000 additional units of housing per year, one school every three days and one hospital every month just to cope with the present level of poverty in Egypt. If the maldistribution problems continue or increase as a result of the developmental revolution in the Middle East and the Third World countries, the implications for the future are chilling.

At the end of the session the panel was not in agreement in their response to the question as to whether or not there was a link between democracy and development. It was pointed out that development can occur in totalitarian regimes such as the Soviet Union and East Germany. One panelist, however, strongly felt that development involved more than the simple economic progress often found in such authoritarian regimes. It is rather the development, based on the freedom of expression, of interest structures and of interest groups in a complex society in which an individual feels active and efficacious. Differences among the panelists were not composed with respect to this question. Indeed, the question posed at the outset of the panel discussion remained unresolved, though one panelist did place the issue into a larger human perspective by saying that:

Life itself resolves the conflict between development and traditional values. Those traditional values that are irrelevant will disintegrate. Those values that are worth furthering will survive. Which traditional values are relevant and which are irrelevant cannot be decided *a priori*. Only the people involved in them will decide.

SUMMATION

Philip H. Stoddard

When Dean Brown asked me to summarize this conference, I knew I was in deep trouble, and his talk of picking up the threads that run through our deliberations makes it worse; rather than a nifty carpet, I fear that I have only a tangled *kilim*. I also knew that my predecessors as summarizers - Rod Davison and Joe Malone - would be very tough acts to follow. Furthermore, Dean Brown said that I was to do more than "merely" review and summarize - I was supposed to add my own ideas and roam far and wide over the whole subject of development in the Middle East. Finally, I was supposed to be funny. His remarks implied that, if the conference went sour, I was to turn it through rhetorical magic into a silk purse, or at least into a nylon shopping bag.

My first thought was to beg off by saying that I knew nothing about development. I also knew that the summarizer could not play hookey in the Mayflower Bar, that he could not talk with his friends instead of going to the meetings, and that he would have to listen to everything that was said and take notes. Finally, I decided that there was no way out. And I thought that I had better be brief, on the theory that no one needs me after so much from others far more qualified to discuss developmental esoterica. I am particularly mindful of not biting off more than I can chew. On that theme, I will give you one "Nasrettin Hoca" story. It's the only one I know related to development. The point of *Hoca* stories is often obscure, but they are always didactic and can be told to suit any purpose. To tell one to a group of Middle East specialists is bold indeed, since you have probably heard them all before. On the other hand, they fall flat with audiences not "into" the Middle East. This one is on the theme of watching what you take on, lest you get into trouble.

The *Hoca* and his donkey were toiling up a steep, winding trail in the Taurus. At the top, just as they stopped for a rest, the donkey slipped and fell into the gorge, "splat" on the rocks. (I can see George Harris grinning at me; he is the source of this story.) The *Hoca* looked down and said, "if donkeys must learn to fly, they must first learn how to land." (This is a 30-year old

story that made the rounds in Turkey following reports that the Soviets had exploded a nuclear device. The Turks did not believe that the Soviets could make a bomb.)

It is also nice to have more than the 10 or 15 minutes very loosely assigned to the panelists. It is a particular pleasure not to have to speak on US policy in the Middle East or the Arab-Israeli dispute. These subjects, interestingly enough, were mentioned only once during this conference, and then in passing. I can stand here not as a government worker but as a friend of the Middle East and of SAIS and the Middle East Institute. I had best get down to business.

* * *

When Dean Brown opened the meeting, he mentioned the last MEI conference on the subject 13 years ago - "The Developmental Revolution." That meeting focussed largely on the shock of development, a problem still with us, and on the emerging middle class, a subject about which we heard very little this year. This is a good time for stock taking. I have attended all the panels and have heard, I think, 25 speakers, not counting the eloquent and thoughtful addresses by Alan Horton and Jim Grant, and it is obvious that the conference has an extremely broad focus.

I found that the papers clustered very neatly around certain basic issues:

- the differences between development and growth;
- the human dimension of development, about which Dr. Azar and many others have spoken so eloquently;
- the urban challenge, as people flee to the cities for various reasons;
- the lag in agricultural development;
- the new role of women;
- educational problems;
- the conflict between development and traditional values.

By and large, I think, the panelists have done a splendid job, and their presentations have quite skillfully approached these key issues in a variety of useful ways. We have also been exposed to a mass of information but happily not to a blizzard of statistical data that only the speaker can keep straight because he is the one with the script. I will do a lot of violence in this summary to everyone's viewpoints by flattening out all the nuances, doubtless misinterpreting what they meant to say. I'll not mention any

speakers by name - to spread the blame and to facilitate the synthesizing process.

When I came to this meeting, I had a long list of questions, and I am leaving it with a longer list of questions. But mostly what we have heard, it seems to me, are many questions to which the answers are obscure. Happily, I did not hear much about "models" and only a few "macros" and "micros," nor did I learn very much about the problems arising from plugging alien models of development into the Middle East. I heard no debate, except a moment of praise, for the virtues of the free market. And little was said about the technicians from the West who have gone to the Middle East in such large numbers in recent years. They went out to do good, stayed and did extremely well, as someone once said about missionaries, but the thought applies to many of our technicians and educators; after all, the Middle East in the last three years is really the new frontier for the export of technology for money. Overlapping industrial projects, monument building, the proliferation of jet ports in the Gulf area, etc., did not receive much attention, nor was there enough give and take between the panelists and the audience. Since we all run so long, there is never enough time for discussion, although I was very pleased at the end of the meeting this morning to hear some discussion of the important human dimension of development and the concept of "structural victimization."

We have learned a lot about manpower constraints, but the brain drain as a problem seems passé. The new variant, I suppose, is the number of Middle Easterners who have come to study here, married American girls and settled down, which tells us not that they are such bad fellows but that there is something wrong at home when so many seem to feel that their talents and abilities will not be put to work in any useful way. Happily, I heard no talk of hope either - a favorite word in the US government where we wish that everything will turn out right. "It's a good breakfast," Francis Bacon once said, "but it's a poor supper." And it's also, according to H.L. Mencken, "the pathological belief in the occurrence of the impossible." We've not succumbed to hope at this conference.

Let me skim over some of the thoughts I found particularly interesting. Your choice would be much different, I am sure. We started yesterday with a definition of development that gave it a ritualistic religious quality, a new creed almost, much like other faiths that ask us what sacrifices we are prepared to make. And we heard development described as a way in which to make the grade in the game of nations - used to strengthen governments and to make them worthy of the loyalty of their citizens - and as the key to the happier times that lie ahead. We also heard development characterized as a state of mind and as a process that aims to produce attitudes

that welcome change. It is, in effect, in the words of one of our speakers, a "revolution of the mind."

As for the other questions that were addressed at great length, I will give you some of them from my list. One question concerned the way in which development has or has not improved the condition of Middle Easterners, using "condition" in the broadest sense. There were questions about what makes the process work and whether it is working. And what are the rules of development? How deeply, one speaker asked, does development have to burrow into the traditional system in order eventually to bring about national affluence. Some asked whether the West will remain a model for development, or will there be other models, such as China, and what will the process look like from now on? I think that one thing is quite clear from these discussions: the transformation that is now underway in the Middle East will result in changes comparable to those that occurred in few other eras in history. And regardless of mistakes, inefficiency, bungling, and the lack of attention to rural development, massive and pervasive change is occurring and the pace of change is likely to accelerate.

We were also told that we have to distinguish between economic growth and development. The concept of growth incorporates a lot of junk. It includes the Cadillacs and everything we see floating around. The result was, it was pointed out, that development could be merely an "oil rush" without staying power. In reality, however, development is a much broader process - a slow, pervasive process of change that involves an important qualitative dimension, as well as the quantitative factors that appear in the usual indices of economic growth.

We learned that oil is the dynamo of history in the Middle East, not the influence of the US or the Soviet Union, as it used to be. We were told that oil gives the Middle Easterners leverage over our future, and over theirs too, which is particularly important. We were instructed to pay very close attention to development as a process, especially in the oil producing states, that can survive a dropping off of the heavy cash flowing in from oil. Oil, after all, is a wasting asset, a one-shot bonanza that forces choices between the present and the future and pushes Middle Easterners to develop new goals and strategies. One of the responses to this challenge, and we heard a good deal about it, is the concept of self-reliance.

Also running through this conference has been a deep current of pessimism - pessimism about the ability of Middle East governments to cope with challenges and pessimism about our own ability to deal with the changing world that confronts us. There is a feeling that the deck is stacked against poor countries in so many ways. They are not

making it big and they are not proud of their failure to do so. And I think that this pessimism derives from an examination of the chronic problems that I found cited by almost every panelist:

- the poor distribution of income within Middle Eastern states;
- the urban rich - rural poor, haves - have nots dichotomies - the widening gap between rich and poor;
- the high rates of growth in some areas with far less development;
- rich governments that cannot spend domestically the revenues they earn;
- the role of manpower constraints in restricting expenditures of funds for worthwhile projects;
- the neglect of the agriculture sector;
- the overdependence, in some oil producing states, on a wasting asset, yet very little sense of urgency about what will have to be done before the oil is gone. I will not repeat Dr. El-Mallakh's quip on *mañana*, which I hope appears in the conference record*, because it was a highlight of that particular discussion;
- the neglect of education and other key aspects of the economic base;
- the tendency to overlook the human dimension - the quality of life - and to emphasize the management process and the role of the central government.

Additional problem areas were the political framework of various Middle Eastern countries that is not conducive to development, in spite of the dedication of many Middle Eastern leaders to the process. Hard developmental decisions, we learned, may be subordinated to staying in power, and ideology may also interfere, especially since development decisions are not made in a political vacuum. We discussed the gap between planning and implementation, between wish and fulfillment. We learned about the lack of organizational skills, or the absence of the "organizational ethic," as one speaker put it. We heard examples of conspicuous consumption, waste and corruption, and mounting rates of inflation, and many speakers referred to the enormous movement of rural populations to urban areas.

* It does not. Here is the story. A Venezuelan oil minister and an Arab oil minister were discussing the concept of time. The Venezuelan asked: "Do you have in Arabic a term like *mañana*?" The Arab replied: "Yes, we do, but it does not convey the same sense of urgency." [Ed.]

Running hand in hand with this pessimism was a sense of challenge. We always hear about facing challenges during American election campaigns. Nevertheless, the developmental challenge probably is the greatest challenge that any people ever faces, and it raises serious questions: Can Middle Eastern states with or without oil, for example, lay the foundations for their own long range prosperity? Can the high rate of growth in some states continue to mask basic defects? Is there enough money, even in rich states, to sustain these high growth rates? The plight of the rural population, which is doomed to a meager standard of living, has to be handled. How are services to be brought to the rural areas?

We also discussed the challenge of urbanization, those masses of persons moving to the cities. And in the cities, there is a floating population that is totally outside of the development process. The movement to the cities forces the planners to become "crisis management specialists," to use a Department of State phrase, because most states cannot simultaneously handle economic growth and the need for the growth of the social infrastructure in the cities. Worse yet, we learned that economic planners rarely deal with urban problems and that the plans they devise often contribute to these problems. Planners everywhere, we were told, and I think we all know this from our own experience, are "city boys." They like to think in terms of big dramatic projects and not in terms of slow, pragmatic gains over long periods of time. In short, planners don't like to go out into the mud!

The rural aspect of development is especially crucial, since, as we know, most Middle Easterners live in villages in rural areas. Agriculture provides the developmental base and makes a major contribution to the GNP. But the farmers generally are "deprived, neglected and degraded." The city is where the action is, not just in the Middle East, but everywhere. We have heard eloquent pleas for rural involvement, for the involvement of the masses of people in the development process at all levels - "development for the people, by the people and through the people." And unless the process penetrates the rural area in this fashion, not as something forced down from the top, development will not come to grips with Middle Eastern reality. And the fallacy, we were told, that "less farmers equals more development" is widespread in the Middle East and elsewhere.

The "bottom line" is that a country cannot be developed without development of the countryside. The irony is that the general trend of food production has barely kept up with population growth, a fact that tells us something about the priorities of the planners. The failure of the planners to deal with the periphery - the rural areas - was attributed in part to the concern of governments not to dilute the authority of the center. There is a tremendous cost to be paid,

in economic, political and human terms, for this neglect. Indeed, "elites tend to serve elites," and until there is an intellectual revolution at the center, and a shift in outlook and a whole new set of rural development strategies, I doubt anyone will be able to keep the people "down on the farm."

I was particularly impressed by the panel on the role of women in development. It is a first, if I remember correctly, for a Middle East Institute Conference and revealed a considerable sense of uneasiness about the repercussions of development on the status of women. Among the new phenomena mentioned were the emergence of "pseudo-matriarchies" as the family separates, with some members moving into the city and the men becoming migrant workers or going abroad. Women are moving outside of the domestic sphere and joining the professional classes - not just as doctors and teachers - in increasing numbers. Women are earning salaries to support a new life style as a part of the process of upward mobility. Even in Saudi Arabia, this trend is beginning to show up, I learned to my surprise. We were told about the flow of women into the factories in the cities - something that goes back a long time in Egypt - but it will have a significant impact everywhere.

Women, we learned, tend to be drawn into the labor force by the fluctuating needs of the market, not because employing women is considered something good in itself. Middle Eastern women, I conclude, are still under great handicaps in terms of their participation in the development process. Only in a very few states are governments pushing hard to mobilize womanpower in the total development effort. I think we could ask, as some have, what happens to the family structure and the young when women leave the home. Is TV going to become a day care center as it is so often in this country? Middle Eastern men, and American men too, are still telling women that they should stay home and even if women work outside the home, they are told that they can look after the men when they come home from work. Everyone says, "come to the city," because the city holds the vision of the good life and it is the city or the perceptions of it that creates the demand for the money to have those "goodies." Yet it is still an affront to many men that they have to send their women out to work.

These trends raise doubts about whether the status of women really has changed at all. What counts is not what I think, obviously, but what the women think. Do they think that their status is changing? The answer depends in part on where one sits. On the other hand, it seems clear that women indeed are moving into new professions, not just a few Aishas and Fatimas standing beside the Prophet, and into a whole new range of activities. Some governments, we learned, are able to use traditional values to reinforce

these shifts. Let's face it, men in the Middle East, as elsewhere, tend to "go off like popcorn" when women apply heat to their tender skins. Yet we know that women are still the real forgotten workers of the world. And many seem to have a sense of failure and frustration. We also know that women are resilient - they can overcome traditions and are biologically stronger than men. And they can and do go into previously forbidden professions.

Education and women come together in fascinating ways in the Middle East and elsewhere. Giving education to women or to men, to reverse the "punch line" of the *hadith*, is not like throwing walnuts upon a dome. Certainly, one learned man or woman, is "harder on the devil than a thousand ignorant worshippers." Education for women is turning out not to be subversive, but it is clear that the doors to professional competence are not open. And the women could well ask us men - the fighters, the planners, the politicians, the dictators and the kings - what we are doing to protect the young, the helpless, the poor and the prostrate. In the Middle East, and here too, much of the education of both men and women goes stolidly along preparing for activities no more appropriate to society's needs than "card playing on the slopes of a heaving volcano."

I found the panel on education particularly interesting for a number of reasons. How do we measure the results of an educational system? If teachers are surplus and leave to teach somewhere else, there is something wrong with the system. Many persons are unemployed or underemployed, and some are overemployed. Experts are not offered appropriate positions, as we all know. Much talent and training is frittered away: how can it be recaptured and cycled into the development process? Education, in my view, does not receive the attention it really needs, whether in the Middle East or elsewhere. Millions have gone to school, but is education developing? Universities are built faster than they can be staffed, hence large numbers of foreign academics are heading east to new lands of opportunity - which is just as well considering the sad state of the academic marketplace in this country. The phenomenal growth of universities, however, means that the development process has to find jobs for the large numbers of university graduates who were not needed in the first place. But there they are, and they have to be put somewhere. The solution could be as simple as buying another 10,000 desks and chairs for the ministries in the capital or arbitrarily assigning another 40,000 workers to a textile complex.

Moreover, educational growth has been extremely uneven. The gross figures for the growth of education in the Middle East reveal how little the poor countries have done. It is also true that foreign companies play a large role in training manpower for development that generally is not noticed, since it exists outside of the traditional

ministries of education. One of our speakers made an excellent point: In talking about education for development, we have to keep in mind that the process is very difficult to accelerate. Universities and schools can be built rapidly and the number of students dramatically increased, but look how long it takes to get from the first grade to professional competence - a minimum of two decades with no short cuts; 20 years of training before the person is training others to do what he or she can do. Money does not buy time even as it builds the schools. Furthermore, much has to be done to improve education at the technical and vocational level where the shortage of trained persons is particularly acute. As a result, there is heavy reliance, in the short term anyway, on outsiders.

After all this, I do not think that the picture presented at this Conference is totally pessimistic. I, personally, am a pessimist, but it goes with my job. The final comment on optimism and pessimism is that the situation is bad but not hopeless. Economic liberalization policies have been cited as a positive factor, as is greater pragmatism that opens up the doors to increased trade and transfer of technology. Other states might find some oil and strike it rich. Also, ties are growing within the Middle East between rich and poor states, as the rich states realize that they, like the US, will have trouble existing in an environment in which a few have all the money and the rest are swarming around in an ant-hill of poverty. I think there is more awareness in Europe and the US of what is needed in economic terms for stability, a goal that some would say is a vanishing dream and not the right dream at that. The world financial system, in spite of gloomy predictions, has not collapsed. Even poor states have learned to cope by relying on human resources, robbing Peter to pay Paul, whatever. And there are even some glimmers of regional approaches to development.

Let us turn briefly to the fundamental question of the relationship between change and traditional values. Are we entering an era of cultural conversion - on the brink of a vast revolution whose dimensions no one can understand? It is clear that no culture has preserved for long its traditional values. Yet the values did not stay constant even in traditional times. Everybody wants to minimize the impact of development on traditional values: we want affluence without materialism because materialism undermines the traditional way of life. I think that the question we have to ask about the Middle East - and it is awfully hard to answer - concerns the dichotomy between the developing sector of society and the traditional one. Some of these values are obviously more important than others, and we have heard numerous examples at this Conference of how values can be sloughed off or changed. Detribalization was cited as a process well underway as a result of urban migration in some areas, yet tribesmen

play a new role as soldiers propping up some Middle Eastern regimes, even though this was not something tribesmen were traditionally supposed to do. Some values, if they are important, survive even when the old structures, of which they were a part, have collapsed. The value of self-help, for example, was described as surviving the collapse of the guilds in Iraq; this value reëmerged among former guildsmen in the Communist Party for their mutual benefit and protection.

I think that it is quite clear, and the point was made several times, that value systems are diverse and point in different, often contradictory, directions. This is true of all ecumenical religious systems. And it is also clear that religious values can be used to support reform and change, as the Qur'an was used to support the introduction of radio and television to Saudi Arabia. We also have learned that revolutionary values can exist side by side with traditional values. At one extreme, one could cite the Islamic Marxist phenomenon in Iran, which is often said to be a contradiction but it is not, in my view. Basically, there is strong resistance to revolutionary values that do not square with traditional values. Changes take hold more easily, we learned, if they are consistent with traditional patterns.

This morning, we learned that oil money renders government increasingly separate from society, that governments ultimately become more authoritarian as constraints are removed, and that they become less responsive to the needs of the people. They are then perceived by the majority of the population as divorced from reality. And I think it is pretty clear that the question of values will be resolved by people themselves. It is not something we can do as advisors, except to say, look, you must watch what is happening here. As it is now, many people feel victimized by this alien system that increasingly is impinging upon their lives.

Last night, we learned from Jim Grant about "six global forces in search of a stage," forces that impinge upon the development process. These forces are a challenge to all of us as citizens and as Middle East specialists. The friction arising from global growth without adequate sharing of its benefits can heighten the sense of grievances and the determination of developing states to share in the decision making process and to confront the developed world through concerted action - to say nothing of the question of justice and the human dimension.

We are seeing increased questioning of the "what" of development. What is the good life and how does one get it? We have talked about the resurgence of the theme that somehow the process of change can be controlled by Middle East governments in such a way as to protect the old values but with no clear idea of what new patterns will emerge. I doubt that the process of change can be controlled, nor do I think

that economic development is an autonomous aspect of human behavior and that affluence through economic growth can buy off popular demands for participation in crucial decisions. I do not regard development as a substitute for political modernization. On the international side anyway, Jim Grant has thrown the glove at our feet. He said that we can influence events as Middle East specialists, as Institute members, as friends of the Middle East, and as Middle Easterners. We have the responsibility to do so, he told us, because the US remains so important in world affairs and because it has one of the few governments in the world that can be influenced in this fashion. If we fail to meet this challenge, I think we will be in very deep trouble; I doubt that we can live so rich in such a poor world forever.

Finally, the vital messages of this Conference, after a day and a half of immersion, are floating all around us. Our task is not to kill the messenger or bury the message. We are learning, I hope, that, in human behavior, education, politics and development, we must deny ourselves the false prospect of immediate practical advantage. As Nehru once said at a dinner in Chicago over 25 years ago, "we must solve our problems or they will solve us." As an exit line, I'll give you the following: When someone once asked Vladimir Horowitz, the pianist, why he always played "The Stars and Stripes Forever" as an encore, he said so that the audience would have something to hum on the way home. On that upbeat note, I think it's time for lunch.