

العنوان:	ON THE POLITICAL ECONOMY OF ARAB CROWTH 1950 - 1970
المصدر:	مجلة العلوم القانونية والاقتصادية
الناشر:	جامعة عين شمس - كلية الحقوق
المؤلف الرئيسي:	Amin, Galal A.
المجلد/العدد:	مج 15, ع 2
محكمة:	نعم
التاريخ الميلادي:	1973
الشهر:	يوليو
الصفحات:	1 - 54
رقم MD:	679843
نوع المحتوى:	بحوث ومقالات
قواعد المعلومات:	EcoLink, IslamicInfo
مواضيع:	الاقتصاد السياسي، النمو الإقتصادي ، العالم العربي
رابط:	http://search.mandumah.com/Record/679843

ON THE POLITICAL ECONOMY OF ARAB GROWTH

(1950 — 1970)(*)

By

Dr. GALAL A. AMIN

*Associate Pofessor, Faculty of Law,
Ain Shams University, Cairo*

« Economic theory will remain a steel construction built on foundations of sand until our understanding of non-economic factors is brought to the same level of generality and sophistication as the study of strictly economic matters, so that economic and sociological theory form a continuum. That we are still very far from this goal is not only the fault of isolationist economists but also the consequence of the sterility of the contemporary sociological theory which... is being turned into a meaningless jargon by the most influential of its present exponents ».

S. Andreski, The African Predicament, 1969.

INTRODUCTION

Dissatisfaction with the Arab economic scene is not the feeling of a mere minority. Although this dissatisfaction provokes ceaseless conversation among Arab as well as foreign economists, not excluding U.N. experts,

(*) This is one in a series of articles on the economic development of nine Arab countries, by the same author, See :

- The Role of Natural Resources in Arab Economic Development, *Revue AL-Ulum AL-Qanuniya Wal-Iqtisadiya*, July, 1971, (Arabic).
- Some Problems of Labour and Population in the Arab World, *L'Egypte Contemporaine*, April 1971 (Arabic).
- On Arab Economic Planning, *Revue AL-Ulum AL-Qanuniya Wal-Iqtisadiya*, January 1973.
- Arab Economic Growth and Imbalances, *L'Egypte Contemporaine*, October 1972.
- Income Distribution and Economic Development in the Arab World, *L'Egypte Contemporaine*, April 1973.

See also :

G. Amin : *Urbanizatioin and Economic Development in the Arab World*, Beirut Arab University, Beirut, 1972.

what they write on the Arab world in their more guarded moments often gives exactly the opposite impression. The present article, being more critical than flattering is not likely therefore to be more than a drop in an ocean of over — « diplomatic » or over — optimistic literature.

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

One of the main themes of this article is that, in spite of their different beginnings a quarter of a century ago, as time went by, Arab countries came to display strong similarities. Foreign observers and social scientists, however, for reasons that are not far to seek, show a general preference for emphasizing their differences. Because of an artificial dichotomy between economics and politics, the different leanings of Arab governments with regard to foreign policy seem to have precedence over the much more important fact, from the point of view of development, that all of them are heavily dependent on the good will of some foreign power. For the same reason the abundance of foreign exchange in some countries is repeatedly contrasted to its scarcity in others, to the neglect of the more important

(a) Myrdal, G. : *The Challenge of World Poverty*, Pelican, 1971, p. 30.

(b) « Such is our perverse faith in figures that what cannot be quantified is all too often left out of the calculus altogether. There is apparently a strong prejudice among research workers against admitting that the unmeasurable effects are likely to be more significant than the measurable ones and that in such cases, therefore, any conclusions reached on the basis of the measurable effects only are unwarranted ». (Mishan, E. : *The Costs of Economic Growth*, Staples Press, London, 1967, p. XX).

common fact that in all of them a considerable part of this foreign exchange is wasted. Because of an exaggerated concern with average incomes, to the neglect of income distribution, the relative affluence of Lebanon, Libya, and of course Kuwait is unduly emphasized. The fact is, however, that income inequalities in these, as well as in the poorer Arab countries, make for much less significant differences between them with regard both to the level of income of lower-income groups and to the way of life of the minorities at the top. Again, as a result of an exaggerated regard for legal forms too much is made of Lebanon's democratic facade in contrast to other Arab governments. But, at least from the point of view of development, Lebanon's « repressive tolerance », to use Marcuse's term, seems to be at least as damaging.

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

1. « Traditional » Governments :

One of three conditions given by W. Rostow for the take-off to occur is non-economic. It refers to « the existence, or quick emergence of a political and institutional framework which exploits the impulses to expansion in the modern sector... and gives to growth an on-going character »⁽¹⁾. Only thus would growth become « self-sustained » and « the country's normal condition »⁽²⁾. One of these required institutional changes is the rise of a new elite or a new leadership which supersedes the old land-based elite and which regards modernization as a possible and desirable task. The economic surplus, i.e. income above minimum levels of consumption, could thus be directed not to « country houses, servants, personal ornaments and temples » but towards « roads, railways, schools and factories »⁽³⁾.

Few facts about the Arab World are better known than the wastes of the traditional governments of the oil-producing countries, particularly Saudi Arabia, their overindulgence in conspicuous consumption and prodigious

(1) Rostow, W. : *The Stages of Economic Growth*, Cambridge University Press, 1962, p. 39.

(2) *Ibid.*, p. 36.

(3) *Ibid.*, p. 19.

gal expenditure on the ruling families and their intimates. Such expenditure was still taking place in the late 1950's when scarcely one productive enterprise was being developed other than the oil fields⁽⁴⁾. Sympathetic writers, including King Saud's personal friends who wrote on the history of Saudi Arabia, as well as U.N. economic reports, give the impression that this is now past history and that since the 1958 crisis, which brought the country to the verge of bankruptcy⁽⁵⁾, « the revenue of the state was to be used primarily to promote the interests of the nation as a whole »⁽⁶⁾. This view is apparently based on the fact that while allocations for the private purse of the King have been heavily reduced (from 17% of the state budget in 1959 to 5.5% in 1964)⁽⁷⁾ allocations for development increased (from 7% of total estimated government outlays in 1960 to 38% in 1967)⁽⁸⁾. Similarly, while the average annual rate of growth of gross fixed capital formation was estimated at only 3% between 1954/5 and 1960/1 it rose to as much as 15% in the following four years and to 17% between 1964 and 1967⁽⁹⁾. These figures, however, greatly exaggerate both the development efforts of the government and the reduction of wasteful government expenditure.

According to Professor Sayigh, actual development expenditure of the Saudi government rarely rises, on the average, beyond 50% of allocations, which are politely but vaguely described as « invariably far beyond the capacity of government machinery to utilize⁽¹⁰⁾. But even if one concent-

(4) One famous example is King Saud's expenditure of at least £ 25 million on his Nassariyeh palace in Riyadh which included « 4 separate palaces for his reigning wives, 32 mansions for his scores of concubines and their retinues and 37 villas for various princes as well as royal schools, a hospital, a museum, a zoo and what was said to be the world's largest airconditioning plant ». (Holden, D. *Farwell to Arabia*, Faber & Faber, London, 1966, p. 119).

(5) In 1958 it was suddenly revealed that the country was spending 25% more than its income and had accumulated foreign debts of some \$ 310 million, or as much as the whole of its oil revenue of that year. The value of the Saudi Riyal had dropped by about 50% when control over finances was handed over to Prince Faisal in 1958. A series of monetary reforms followed and royal expenditure was reduced so that Saudi Arabia was able to repay her debts by 1959. (See Sayigh, Y. : *Problems and Prospects of Development in the Arabian Peninsula*, in Hopwood, E. (ed.) : *The Arabian Peninsula*, Allen & Unwin, London, 1972, p. 289, and Holden, *op. cit.*, pp. 119 — 20).

(6) Rentz, G. : *Saudi Arabia : The Islamic Island*, in Thompson, J. & Reischauer, R. (eds.) : *Modernization of the Arab World*, Nostrand, Princeton, 1966, p. 120.

(7) Ismael, T. : *Governments and Politics of the Contemporary Middle East*, The Dorsey Press, Illinois, 1970, p. 373.

(8) UNESOB : *Studies on Selected Development Problems*, 1968, p. 26.

(9) Asfour, E. : *Prospects and Problems of Economic Development of Saudi Arabia, Kuwait and the Gulf Principalities*, in Cooper, Charles & Alexander, S. (eds.) : *Economic Development and Population Growth in the Middle East*, American Elsevier, N.Y., 1972, p. 371.

(10) Sayigh, *op. cit.*, p. 300.

rates on allocations, one notices that total allocations to industry and commerce for the whole of seven years (1963 — 70) amounted to only 85.9 million Riyals⁽¹¹⁾ compared, for example, with the total estimated cost of 729 million Rials of the two airports planned to be built in Jeddah and Riyadh and which, according to an official report, « would be provided with modern facilities including mobile lounges for passengers »⁽¹²⁾. Again, as shown in table (1) allocations for agriculture in the three development budgets of 1967/8 to 1969/70 constituted between 11.1% and 15.4%

TABLE 1

Saudi Arabia : Distribution of Allocations in the Development Budgets (Percentages)

	1967/8	1968/9	1969/70
Transport and Communication	28.0	30.7	26.2
Agriculture	15.0	15.4	11.1
Petroleum and Minerals	1.9	2.2	2.1
Industry and Commerce	0.5	0.6	0.3
Labour and Social Affairs	0.4	0.3	0.3
Education	3.6	2.3	1.6
Health	.9	0.6	0.5
Municipalities	9.8	11.6	9.5
Others	39.9	36.3	48.5
Total :	100.0	100.0	100.0

Source : Economists Intelligence Unit : *Saudi Arabia & Jordan*, Annual Supplement, 1971, p. 4.

of total « development » allocations, and those for industry and commerce no more than 0.3 to 0.6% compared with between 36.3 and 48.5% allocated for « other » expenditures which include « royal household, interior affairs, information, religious affairs, etc... »⁽¹³⁾. In 1968-9 another economic crisis seems to have occurred in Saudi Arabia which, though much milder than that of ten years earlier, seems to have also been caused by government overspending. No figures on real rather than budgeted spending and

(11) Saudi Arabian Monetary Agency : *Annual Reports* of various years.

(12) Saudi Arabian Monetary Agency : *Annual Report* 1387 — 88 A.H., p. 38.

(13) Economist Intelligence Unit : *Saudi Arabia & Jordan*, Annual Supplement, 1971, p. 4.

revenues are published but some have estimated that in 1968 and 1969 the government spent more than 500 million Riyals over and above receipts. In the 1970/1 budget allocations for new projects have therefore been reduced to only £ 20 million⁽¹⁴⁾.

Many similar, though not as glaring, examples of wasteful government expenditure can be quoted for Kuwait and Libya⁽¹⁵⁾. If the three countries have been saving as much as 39% to 45% of GNP⁽¹⁶⁾ this is simply the result not only of their huge oil revenues but also of the way in which this revenue is obtained, whereby it flows directly into the hands of the governments which are therefore spared the usual difficulties of collecting taxes in a poor society.

Two more Arab governments, those of Jordan and Lebanon could be classified with those of Saudi Arabia, Kuwait and pre-1969 Libya as being « unrevolutionary » or « traditional » in Rostow's sense. In both of them, although there are frequent government changes, power has remained in the hands of a very small number of rich and influential families with strong business interests⁽¹⁷⁾.

The two countries have two of the lowest rates of saving among Arab countries, with Jordan often realizing a negative rate. While Jordan's gross private saving was sufficient to cover half of gross domestic investment, it was offset by an equally large government deficit, mainly due to heavy defence expenditure, so that during 1959-66 the whole of Jordan's gross domestic investment was financed by foreign aid, as can be seen from Table (3).

Of Lebanon's economic policies, or rather the lack of them, little can be understood without reference to her confessional social structure and particularly to the fact that no single sect constitutes a majority of the population. According to an unwritten National Pact agreed upon in 1943 by the major religious communities and faithfully followed to this day,

(14) Economist Intelligence Unit : *Saudi Arabia & Jordan*, No. 1, 1971, p. 4.

(15) For Kuwait, for example the IBRD 1961 mission expressed, « some doubts as to the need for what amounts to two airports alongside each other ». (IBRD : *The Economic Development of Kuwait*, Johns Hopkins Press, Baltimore, 1965, p. 110). For examples on pre-revolutionary Libya see Farley, *Planning Economic Development in Libya*, Praeger, N.Y., 1972, p. 225.

(16) See Table (2).

(17) Of Jordan, M. Mazur writes : « Even the most scrupulous and energetic of ministers finds it difficult to resist the political pressures for excessive government protection and assistance when he has very little information and no clear decision criterion with which to defend a negative position ». *Economic Development in Jordan*, in Cooper & Alexander (eds.), *op. cit.*, p. 270.

TABLE 2

Annual Averages of National Savings and Gross Investment (Percentages of GNP)

Country	Period	Savings	Investment
Kuwait	1964 — 68	45	19
Saudi Arabia	1964 — 68	45	18
Libya	1960 — 67	39	25.4
Iraq	{ 1959 — 64	18.4	17.3
	{ 1964 — 68	18	17
Egypt	{ 1959/60 — 64/5	12.7(a)	16.6(a)
	{ 1965/66 — 68/9	13.5	15.2
Syria	{ 1960 — 65	15.3	16.9
	{ 1964 — 68	9	12
Jordan	{ 1959 — 64	- 6.0	13.7
	{ 1964 — 68	1	14
Sudan	{ 1960 — 64	12.1	14.9
	{ 1960 — 67	9.8	13.5
Lebanon	1964 — 68	12	20

(a) Percentage of GNP.

Sources : UNESOB : *Long-Term Perspects in the Development of Selected Countries and Sub-Regions of the Middle East*, (Mimeo.), Sept. 1971, p. 53; OECD : *Development Assistance, 1970 Review*, Dec., 1970, pp. 100 - 1; Gov. of Libya : *Statistical Abstract*, 1969, p. 330 ; UNESOB : *Studies on Selected Development Problems*, 1967, p. 4; U.N. : *Yearbook of National Accounts & Statistics*, 1969; Hansen. B. : *Economic Planning in the U.A.R.*, in Vatikiotis, P. (ed.) : *Egypt Since the Revolution*, Allen & Unwin, London, 1968, p. 36. and the Egyptian Ministry of Planning : *Follow-Up and Evaluation of Economic Development in U.A.R. (1965/6 — 68/9)*.

TABLE 3

Jordan : Ratios to Gross Domestic Investment

	Foreign Aid	Gross Domestic Savings	Gross Private Savings	Gross Government Savings
1959 — 62	1.17	0.17	0.49	- 0.65
1963 — 66	0.87	0.11	0.53	- 0.41
1959 — 66	1.80	0.00	0.51	- 0.51

Source : Mazur, M. : *op. cit.*, p. 222.

a precarious balance has to be observed in the distribution of government offices among the various sects, from the Presidency, which has to be occupied by a Maronite, down to the lowest levels of administration.

According to this pact, the Lebanese parliament must include six christians to every five non-christians. But since any major policy issue which the parliament may discuss is bound to be met by opposition from some religious or regional group, Lebanon's parliament has very rarely exercised any real political power. In nearly 40 years only one government has fallen because of the loss of parliament's confidence and this occurred as long ago as 1930⁽¹⁸⁾.

The Cabinet is also constituted on a confessional as well as regional basis so that it normally includes two Sunnis, two Maronites and one each of Greek Catholics, Orthodox, Shiites and Druzes. It is therefore as hand-capped as the parliament, but much less stable. «As most Cabinet members come from parliament, a new Cabinet or even a reshuffled one presents hope to an aspiring deputy. Even incumbent ministers, as soon as they sense the weakness of their Cabinet, begin to prepare for their inclusion in the next one by attacking their colleagues in the present one»⁽¹⁹⁾. Little wonder that Lebanon had some 46 Cabinets between 1926 and February 1964, an average of less than eight months per Cabinet⁽²⁰⁾.

Political parties do exist in Lebanon but again, largely because of confessional and regional divisions, no party or combination of parties ever obtained a sufficient number of seats in parliaments to exert a strong influence on the government. The results of the 1960 and 1964 elections, for example, brought no more than 34 and 28 seats, respectively, to all the eight parties, out of a total of 99 seats. The other seats were held mainly by feudal leaders, landlords and financiers⁽²¹⁾. During a period of 21 years (1943 - 64) 42% and 54% of the deputies in the Lebanese parliament were designated «propertied», having no particular profession and living off their land and/or other property (see Table 4)⁽²²⁾. This high proportion of property owners could be partly attributed to the weakness

(18) Hurewitz, J. : *Lebanese Democracy in its International Setting*, in Binder, L. (ed.) : *Politics in Lebanon*, J. Wiley, N. Y., 1966, p. 214.

(19) Suleiman, M. W. : *Political Parties in Lebanon*, Cornell University Press, N. Y., 1967, pp. 51 - 2.

(20) Kerr, M. : *Political Decision Making in a Confessional Democracy*, in Binder, L. (ed.), *op. cit.*, p. 192.

(21) Suleiman, *op. cit.*, p. XV.

(22) Other deputies included in table (4) may indeed own land or other property but they differ from those classified as «propertied» in having a profession. (See *Ibid.*, p. 47).

of political parties but is also due to the high candidature fee (3000 LL. in 1964) which is lost to the candidate who gets less than 25% of the district's votes⁽²³⁾ as well as to the high costs of electoral campaigns on which the state puts no limit. It has been noted that during the 1960 elections the amount of money in circulation increased by LL. 3 million⁽²⁴⁾. Political newspapers, of which there were no less than 49 daily in 1962⁽²⁵⁾ make up for their inevitably low circulation by relying on subsidies provided either by some foreign country with interest in Lebanese politics, or by some interest groups within the country, and it is widely believed that each and every political paper in Lebanon is so subsidized⁽²⁶⁾.

TABLE 4

Lebanon : Members of the Chamber of Deputies by Occupation (%)

Term in Office	Propertied	Lawyers	Doctors	Engineers	Journalists	Businessmen	Miscellaneous (1)	Total (2)
1943—47	41.8	34.5	7.3	3.6	—	9.1	3.6	99.9
1947—51	43.6	30.9	10.9	1.8	1.8	10.8	—	99.8
1951—53	44.2	29.9	6.5	4.0	5.2	10.4	—	100.2
1953—57	43.2	38.6	4.5	4.5	4.5	4.5	—	99.8
1957—60	44.0	40.9	4.5	4.5	1.5	1.5	3.0	99.9
1960—64	54.5	28.3	6.1	3.0	2.0	1.0	5.0	99.9

(1) Judges, teachers, pharmacists, economists and ex-government officials.

(2) Total does not add to 100 because of rounding.

Source : Suleiman, M. : *Political Parties in Lebanon*, Cornell University Press, N. Y., 1967, p. 47.

The struggle for power in Lebanon pivots in fact on a number of strong personalities who are often absentee landlords or heads of prominent families with a large following, loyal to them personally irrespective of their own or their leaders' ideological commitments. The leaders' aim is simply to manipulate the political system to further their own careers or economic advantage.

(23) *Ibid.*, p. 48.

(24) Geertz, C. : The Integrative Revolution, in Geertz, C. (ed.) *Old Societies and New States*, The Free Press of Glencoe, London, 1963, p. 144. Geertz writes : « Both places on tickets led by strong figures, and votes themselves, are bought ... rivals are slandered and, on occasion, physically attacked, Favoritism, nepotism or otherwise is accepted procedure, and spoils are considered the normal rewards of office. « There is no right in Lebanon », it is said, « there is only silver and the fix ».

(25) In addition to 160 weekly and 99 various monthly magazines. (Suleiman, *op. cit.*, pp. 36 — 7).

(26) *Ibid.*

« It is paradoxical », writes Professor Malcolm Kerr, « that although the spirit of political controversy reaches everywhere, and the politicians' invasion of the sphere of competence of bureaucrats and magistrates is commonplace, the paralysis of the highest centers of political authority signifies the absence of true politics from the system. There are no political decisions, but only super-impositions by politicians of their own informal criteria of adjudication and administration on to the formal criteria which judges and bureaucrats are nominally supposed to follow. The state has withered away, or rather has remained withered since birth, and the country is left with a (very non-Marxian) « administration of things »⁽²⁷⁾.

This last fact is clearly revealed by an examination of the Lebanese state budget in which the greater part of government expenditure is allocated to ordinary administration with only a very small proportion going to expenditure on infrastructure. In the 1969 budget the traditional functions of government as a «night watchman» represented no less than 40% of total government expenditure. This included the allocation to the Presidency, the Cabinet, and the ministries of justice, foreign affairs, interior and defence⁽²⁸⁾. Taxation in Lebanon is still considered merely as a means of collecting sufficient revenue for the state to perform its traditional functions while its role in redistributing income or financing economic development is yet to be recognized. The general income tax has never been adopted, and whenever the need arises for increasing its revenue the Lebanese government almost invariably falls on indirect taxes and particularly on customs duties. The role of customs duties in providing protection for domestic manufacturing or agriculture is at best a secondary consideration. While, for example, some raw materials that compete with local products are exempted from customs duties, others that are not locally produced are subject to duties of 11% or more. On the whole, however, the dominant influence of the merchant class has ensured that hardly any tariff is high enough to be prohibitive⁽²⁹⁾. The most recent example of how these interests obstruct any attempt made by the government to encourage industrial development was provided in 1971. In September a decree was passed increasing import duties on 450 luxury items with the proclaimed aim of

(27) Kerr, *op. cit.*, p. 190.

(28) Beydoun, T. : *The Influence of Economic System on Consumer's Behaviour in Lebanon* (Arabic), Social Science Institute, Lebanese University, Beirut, 1970, p. 213 and IFRED : *Le Liban Face a Son Development*, Beirut, 1963, p. 270.

(29) See Azhari, N. *l'Evolution du Systeme Economique Libanais*, L.G.D.J., Paris, 1970 pp. 110 — 2 and 120 — 1 and Himadeh, R. : *The Fiscal System of Lebanon*, Khayat, Beirut, 1961, pp. 74 — 5.

raising LL. 35 million to finance social and economic projects. This gave rise to such a wave of strikes and protests by merchants, importers and shopkeepers that the government had to capitulate and cancelled the decree in the following month⁽³⁰⁾.

With such a liberal importation system only a small proportion of total investment in Lebanon is directed to manufacturing or agriculture. Again, the high proportion of foreign-owned banks and insurance companies⁽³¹⁾, has led a considerable proportion of their investment to be directly or indirectly made abroad. Of the capital that flows into Lebanon from the oil countries hardly any goes into the commodity sectors, the bulk of it taking the form of short-term bank deposits. The relatively small part that goes into long-term investment, has gone mainly to real estate.

2. *The New Elites :*

With the beginning of Syria's era of coups-d'etat in 1949, the Egyptian coup in 1952, those of Iraq and Sudan in 1958 and the Libyan coup of 1969, it may have seemed that Rostow's « new elites » have finally come to the Arab world. The land-based elites have either lost, or are rapidly losing their grip on government policy and have been replaced by army officers. In at least one case, Egypt, they have been almost completely wiped off the political scene. Looking back, however, at the Arab « revolutionary » era, it now seems that one may do worse things than having « country houses, servants, personal ornaments and temples » and that the Arab revolutionary governments may have at least as high a propensity to consume as the superseded landlords.

First, with military governments goes greater expenditure on armaments. There may not necessarily be more actual wars than with other kinds of government, but there are usually bigger and more expensively equipped armies. With the exception of Jordan, non-military Arab governments spend on defence smaller percentages of GNP and of the state budget than do the military ones, the lowest percentage of GNP being that of Lebanon⁽³²⁾. In the year following the 1969 military coup in Libya the *share* of defence expenditure in GNP rose by as much as 50%⁽³³⁾. Since

(30) Economist Intelligence Unit : *Syria, Lebanon and Cyprus*, No. 4., 1971, p. 6.

(31) In 1960 out of the 75 insurance companies operating in Lebanon 72 were foreign owned while foreign banks accounted for about 50% of all bank deposits. After the Intra crisis this percentage rose to 80%.

(32) See Table (5).

(33) International Institute for Strategic Studies : *The Military Balance*, 1971 — 2, pp. 60 — 1.

the 1967 war, military expenditure in most of the nine countries under consideration rose more rapidly than national income, particularly in Egypt where it absorbed as much as 19.6% of GNP in 1970, this latter percentage being about two and a half times that of the U.S. (7.8%) and about 6 times that of India (3.4%)⁽³⁴⁾.

A simple calculation would reveal that to pay for the army, the Iraqis, Egyptians and Syrians had to forgo an increase in investments of more than 50% in Iraq and of as much as 90% in Egypt and Syria⁽³⁵⁾.

TABLE 5

Military Expenditure

	As % of Total State Budget (1965)	As % of GNP	
		1965	Average 1966 - 70
Egypt	22	9.1	13.8
Iraq	34	12.7	9.5
Syria	33	8.8	11.5
Jordan	47	12.0	15.1
Sudan	19	4.4	4.6
Libya	13	5.1	1.6
Kuwait	12	4.2	—
Lebanon	17	3.3	—
S. Arabia	19	8.6	9.2

(—) Not available.

Sources : International Institute for Strategic Studies : *The Military Balance*, 1970-1, pp. 110-1 and 1971-2, pp. 60-1 and Hurewitz, J. : *Middle East Politics : The Military Dimension*, Praeger, N.Y., 1969, pp. 106-7.

Secondly, for a number of well-known reasons, Arab bureaucracy has been famous for its inefficiency, both before and after the revolutionary era. Poverty has always invited bribery, the reluctance to delegate authority

(34) *Ibid.* According to Egyptian Sources, defence allocations in the 1970/1 budget were about \$ 1300 million (*Al-Ahram*, 24/3/1970) a sum equal to 37% of total investments made during the first five-year plan. However, *actual* defence expenditure in 1971 was given by the International Institute for Strategic Studies as \$ 1495 million. Official data tend to underestimate actual military expenditure and do not disclose the terms on which military aid is obtained.

(35) Compare Tables (2) and (5). In the 1972 state budget of Syria L.S. 956 million was allocated to defence compared with total allocations in the development budget of 1594 million. (Economist Intelligence Unit : *Syria, Lebanon and Cyprus*, No. 1, 1972, p. 3).

bred apathy, while the age-long suspicion of governments encouraged the breaking of the law. Family and tribal relationships have been too entrenched to allow impersonalization, and the deep-rooted charitable tradition of employing the inefficient simply to provide them with a means of livelihood, has been applied to government offices as much as to family firms. With the arrival of Arab revolutions there was first, the mere growth of an already inefficient mechanism which accompanied the increasing role of governments in economic and social life. But new factors associated with revolutions tended to make Arab bureaucracies even more inefficient and wasteful. In revolutionary regimes political considerations gain supremacy over those of efficiency. The politically loyal is thus preferred to the able but politically passive, while highly paid but fictitious jobs are created simply to accommodate a political figure removed from power but too dangerous to turn into an enemy. Even nationalization could be used against any economic reasoning merely to punish a political opponent or to create an appearance of ideological affinity with another Arab country, as happened in Iraq in 1964. New laws, taxes, exchange controls, import and export restrictions are incessantly introduced and are often too irrational to be observed, while new ministries and organizations are continuously established and then abolished. Of no little importance was also the fact that the new military rulers, being themselves younger than their predecessors and anxious to give the positions of power to those whom they can trust, tended to disregard the age of those appointed to high offices. S. Andreski perceptively points out the effect of this practice on the lower ranks of government bureaucracy :

« Apart from reducing the incentives to effort, the small difference in age between the ranks aggravates the natural resentment against the authority which is usually less bitter if the boss is considerably older than the subordinates. It is not only that the prospect of seeing the old man off sweetens the pill of submission, but also the envy is diminished when the enjoyment of power and status is counter-balanced by the drawbacks of advancing years... This kind of equalization permits the relationship of authority to become less tinged with paternal and filial feelings which become much more difficult if the difference in age is very small or inverse »⁽³⁶⁾.

(36) Andreski, S. : *The African Predicament*, Michael Joseph, London, 1969, p. 155.

Thirdly, loyalty or submission to the revolutionary government is often more costly than that of the peasants to the landlord or of the industrial labourers to their employers. Whereas the landlord or capitalist could rely on a deeply ingrained feeling of servitude or fear, and sometimes even on genuine loyalty, the revolutionary governments, especially if unpopular, have to rely on a widespread network of political propaganda, police and intelligence activity or on the army. Thus it was probably less costly to move a peasant to vote for his landlord than to vote for a member of the revolutionary party. But the revolutionary governments are often more demanding than their predecessors. While previously it was sufficient to get enough votes to dominate a parliament, it seems necessary to a revolutionary Arab government to insist on obtaining some 99% of all votes. No one can deny that party politics leading to a mock parliament dominated by landlords is wasteful, but no smaller amount of resources were wasted on election campaigns under revolutionary governments in which there was only one candidate. The country's resources of foreign currencies, which are alleged to be meagre when there is a demand for imported books for university libraries, appear unlimited when it is a matter of gaining political supporters in other countries. While strikes are forbidden, working hours are lavishly spent on the reception of a friendly foreign politician or the demonstration against an unfriendly one.

Finally, there are the wastes resulting from political instability which has been particularly characteristic of Iraq and Syria. One writer counted no less than 265 « armed attacks » in Iraq between 1957 and 1963, armed attacks being defined as « acts of violence committed by or involving organized groups and weapons of any kind of protest or revolt against the regime, groups within the society including religious, ethnic, racial or interest groups ». This is to be compared with only four such acts in the previous eight years (1948-56) ⁽³⁷⁾. For Syria, the same writer counts in the span of 25 years following her independence in 1946, about nine successful coups and four unsuccessful ones.

(37) Al-Qazzaz, A. : Political Order, Stability and Officers, A Comparative Study of Iraq, Syria & Egypt, *Middle East Forum*, 1969, p. 34. In 1963 it was reported that one-half to three quarters of the people in government posts involving any degree of real responsibility were new in their posts since the February coup in Iraq. (See Jalal, F. : *The Role of Government in the Industrialization of Iraq*, Cass, London, 1972, p. 29.

This instability of government in Iraq and Syria has considerably reduced the significance of economic planning, (38) discouraged private investment and caused a flight of capital, particularly from Syria (39). It has also reduced the government's ability to mobilize savings, partly because of the inevitably higher costs of obtaining political support, and partly because of the reluctance of new governments to raise tax rates(40). No such instability characterized post-1952 politics in Egypt where the government was in fact more stable than in most underdeveloped countries during the same period. What Egypt did share with other Arab revolutionary governments, though again to a smaller degree, were the frequent changes in publicly declared policies concerning her political and economic relations with foreign powers and domestic private enterprise.

TABLE 6

Average Annual Rates of Increase of Private and Public Consumption (%)

Country	Period	Private Consumption	Public Consumption
Iraq	1959 — 64	6.1	9.7
Syria	1956 — 64	4.5	13.0
Egypt	1959/60 — 64/5	6.5	14.2
Sudan	1955 — 64	5.8	10.8

Sources : U.N. : *Yearbook of National Accounts Statistics*, 1969; UNESOB : *Studies on Selected Development Problems*, 1967, p. 8 and 1969, p. 83 of the Arabic edition; U.A.R., Ministry of Planning : *Follow-Up and Evaluation Report on the First Five-Year Plan* (mimeo.), Feb. 1966, pp. 66 — 7.

(38) Dr. F. Jalal gives the following example from Iraq : « One industrial project (sulphur extraction from natural gas) went through the whole process of pre-construction before 1958, and in June of that year the Development Board decided to contract the erection of the plant to an American firm at a total cost of I.D. 6.680,320 ... then the revolution of July 1958 intervened and the firm was informed that the new government had decided to abrogate the Board's decision. The project was included in the Iraqi-Soviet technical and Economic Cooperation Agreement of May 1959, to be studied and designed during 1959 — 62 and erected during 1962 — 4. After the revolution of February 1963 the project was withdrawn from the agreement and the process of reviewing and restudying started again. By January 1965 the contract for the erection of the project was signed with the original American firm at a cost of I.D. 7,485,900 for exactly the old project ». (*op. cit.*, p. 78).

(39) During the five years preceding 1964 capital flight from Syria was estimated at \$ 200 million (Owen, R., in Vatikiotis, P. : *Revolution in the Middle East*, Allon & Unwin, London, 1972, p. 58).

(40) Thus between 1958 and 1964 the share of tax revenue in Iraq's national income rose from 12.3% to only 13.7% compared with an increase in the share of government current expenditure in national income from 27% to 34% during the same period. This tendency for tax revenue to fall as a percentage of government expenditure led the Iraqi government to the successive reduction of the proportion of oil revenue which by law should be directed to development, from the whole of oil revenues according to the 1950 law, to 75% of it in 1952 and to 50% in 1960.

One result of all this was the failure of revolutionary Arab countries to achieve a significant increase in the rate of saving. Over the last two decades this rate has increased only slightly in Egypt, while in Syria and the Sudan it showed a marked decline during the 1960's⁽⁴¹⁾. During 1960-67 the average rates of saving in the three countries were lower than that of underdeveloped countries taken as a whole (15%)⁽⁴²⁾. Even in Iraq, the rate of saving remained constant during the 1960's despite the rapid increase in oil revenue. Although the rapid increase in private consumption must certainly shoulder part of the blame, in all the four countries, Egypt, Syria, Iraq and the Sudan, public consumption was increasing much faster. Table (6) shows this for periods ending in the mid-1960's. For later years data are available only for Syria and Egypt and show that the same phenomenon continued through the late 1960's. In Egypt the share of public consumption in GNP rose more than three times as fast as private consumption during the period 1963 — 67, while in Syria the share of public consumption in GNP rose by 37% compared with a decline of 3% in the share of private consumption (1963-68)⁽⁴³⁾. In 1964 the Egyptian government, on realizing that foreign aid was not likely to be forthcoming at anything like previous rates, called for restraint. It is ironic that, although this had some effect on private consumption, it made little impression on the government itself. In the following three years, private consumption increased at an average annual rate of only 0.8% compared with 7.6% for public consumption⁽⁴⁴⁾.

Furthermore, of the various components of public consumption, the items which grew most rapidly were not those which could be classified under development expenditures such as education or health, but rather the expenditures on ordinary administration and defence. Thus, between 1959/60 and 1965/6 the share in Egypt's GNP of government expenditure on defence and ordinary administration (excluding the administrative expenditures on health and education) almost doubled compared with an increase of about 25% increase in the share of education and health⁽⁴⁵⁾. Similarly, about half of the increase in Egypt's public consumption between 1956 and 1968 was due to defence expenditure. During the same period NDP from public administration grew at no less than 17.5% per annum

(41) See Table (2).

(42) *The Pearson Report, « Partners in Development »*, Praeger, 1969, p. 31.

(43) U.N. : *Yearbook of National Accounts Statistics*, 1969.

(44) *Ibid.*

(45) See Hansen, B. : *Economic Development in Egypt*, Rand Corporation, 1969, p. 55.

compared with 4.2% for total NDP⁽⁴⁶⁾. During the seven years following the 1953 revolutions of Iraq and the Sudan, government expenditure on development increased by 15% and 50% in the two countries respectively, compared with a 75% and a 62% increase in expenditure on ordinary administration and 153% and 182% on defence⁽⁴⁷⁾. It is interesting to contrast these changes in the pattern of expenditure of the Iraqi government after the revolution with those before it. During the five years preceding 1958, government expenditure on defence, as well as on ordinary administration, did grow rapidly (74% and 68% respectively) but its expenditures on development increased much faster (360%).

3. *Oil Revenue and Foreign Aid :*

Despite the big differences between the nine Arab countries with regard to the rate of saving, ranging from 1% in Jordan to 45% in Kuwait and Saudi Arabia, they are much closer to each other with regard to investment rates⁽⁴⁸⁾. The reason is that, while the non-oil countries have been investing considerably more than their savings through the inflow of private foreign capital, as in Lebanon, or through foreign aid, as in the other four countries, the oil countries have been investing much less than their savings. The last fact is particularly striking in the case of Iraq since her rates of saving, though high, is considerably below those of Saudi Arabia, Kuwait or Libya, and is certainly not beyond the absorptive capacity of the economy. Also remarkable is the decline in Iraq's rate of fixed capital formation from 24% in 1958 to 15% in 1965. Iraq's total investment in the non-oil sector, which showed a regular increase until 1957, has since then fluctuated with some tendency to decline⁽⁴⁹⁾. Part of the explanation has to do with Iraq's failure to raise the rate of saving, but it is also connected with Iraq's performance in economic planning which we have discussed elsewhere⁽⁵⁰⁾.

More than half the very high rates of savings of Kuwait and Saudi Arabia is invested abroad, mainly in British Treasury Certificates, West

(46) See Mansen, B. : *Economic Development in Syria*, Rand Corporation, 1970, p. VI and 11.

(47) Calculated from Hurewitz, J. : *Middle East Politics : The Military Dimension*, Praeger, N.Y., 1969, p. 160 & 169.

(48) See Table (2).

(49) UNESOB : *Studies on Selected Development Problems*, 1968, p. 2 During 1951 — 58 the average share of government capital expenditure in Iraq's national income was about 10%. In the following six years it rose to only 11.4%. (See Jalal, F., *op. cit.*, p. 72).

(50) See *On Arab Economic Planning, Al-Ulum Al-Qanuniya wal-Iqtisadya*, January, 1973.

European, American or Lebanese Banks. This outflow of capital seems to have proceeded at a rate far exceeding the rate of aid flow into all the nine Arab countries under discussion. In the early 1960's the net outflow of financial resources from Kuwait and Saudi Arabia to the rest of the world exceeded \$ 1 billion annually, compared with an annual average of Sino-Soviet bloc commitments to all of the nine Arab countries of \$ 175 million (1954-64) and an annual average of U.S.A. long-term aid to the same countries of \$ 213 million (1954-1964)⁽⁵¹⁾. To put it another way, the flow of capital from Kuwait and Saudi Arabia alone in *one* year of the early 1960's amounted to more than one fourth of *total* U.S.A. long-term aid to the nine Arab countries plus the *total* economic aid commitments of the Sino-Soviet bloc to the same countries during the two decades following the war.

While oil revenue finance the whole investments in the oil countries as well as a good part of those of Lebanon, foreign aid finances the whole of Jordan's investments and a part of those of Egypt, Syria and the Sudan. But whether financed by aid or by oil revenue, whatever is invested in both cases is not the result of any obvious sacrifice borne by the investor. This helps to explain why the government of an oil-rich country or of a country receiving vast amounts foreign aid can enjoy a degree of stability which is not explicable in terms of its domestic economic or political performance. It also explains why wasteful expenditure is in the nature of both.

Professor Bauer remarks that :

« Capital is much more likely to be productive when deployed by those groups and persons who accumulated it, because accumulation and effective deployment require much the same abilities, motivations and institutions »⁽⁵²⁾.

Although one should not carry this argument as far as to condemn any public investment of privately accumulated savings, it could rightly be used against excessive reliance on foreign aid as well as on oil revenues. It also rightly implies that only a government capable of realising a high rate of saving is capable of channelling it into productive investment. Moreover, a government receiving vast amounts of either foreign aid or oil revenue is not likely to feel the urgent need for raising productivity,

(51) See Amin, G. : *Economic Growth and Imbalances in the Arab World, l'Egypte Contemporaine*, October 1972.

(52) Bauer, P.T. : *Dissent on Development*, Weidenfeld & Nicolson, London, 1971, p. 10.

for increasing or diversifying exports or for tapping other sources of savings. Tax laws are likely to be lenient and tax evasion and income inequalities tolerated.

« In societies severely afflicted by parasitism, the number of parasites seems to be governed by the amount of surplus (surplus being defined as the stock of goods in excess of the minimum subsistence requirements of the producers). Any augmentation of the surplus tends to increase the number of parasites and their consequent force in relation to the productive elements of society. An influx of funds from abroad usually stimulates the proliferation of superfluous administrative posts remunerated on a scale out of proportion to the economic possibilities of the receiving country, which whets the appetites and encourages the scramble for the spoils »⁽⁵³⁾.

An excessive reliance on either foreign aid or oil revenues also tends to generate economic and social imbalances simply because a country cannot import everything from abroad. Fine school building may indeed be provided with the most modern equipment by the use of aid or oil revenues, but no amount of such incomes will provide teachers who have the ability to converse in the country's own language, the same degree of knowledge of the country's history and culture or the same degree of loyalty as its nationals. An expansion of education by the use of foreign aid or oil income rather than as a response to the increasing need of the country's own industry or agriculture, is most likely to result either in a brain drain or in unemployment⁽⁵⁴⁾.

Professor Bauer's statement that « if a country, or rather a people, cannot readily develop without external gifts, it is unlikely to develop with them »⁽⁵⁵⁾, may seem to be disproved by Jordan's very rapid economic growth until 1967 which was entirely so financed. But we have already seen that private savings in Jordan would have been sufficient to finance

(53) Andreski, S. : *Parasitism and Subversion, the Case of Latin America*, Weidenfeld & Nicolson, London, 1966, pp. 257 — 8.

(54) See Bauer, op. cit., pp. 105 — 6. Foreign aid may also obstruct effective economic integration among underdeveloped countries since it is hardly ever distributed among them according to the potential harmonization and diversification of industrial development, but is governed by the narrow economic and political relationship between the donor and the individual aid-receiving countries. For political as well as economic reasons, the leading economies in the region tend to be favoured so that the differences between the level and potentialities of development of the various countries tend to grow. (See Wionczok, M. (ed.) : *Economic Cooperation in Latin America, Africa and Asia*, MIT Press, Cambridge, Massachusetts, 1969, p. 17).

(55) op. cit., p. 100.

half of her investment had it not been more than offset by the expenditure of the aid-receiving government⁽⁵⁶⁾. However, although Jordan's rate of growth was higher than in most other Arab countries, her rate of investment was one of the lowest⁽⁵⁷⁾. Foreign-financed investment can therefore be only part of the explanation of her rapid growth. The rest is explained by Jordan's unusually low incremental capital-output ratio⁽⁵⁸⁾ which in its turn could, at least partly, be attributed to the extremely underdeveloped base, both in agriculture and manufacturing from which Jordan started twenty years ago. A very few obvious projects in agriculture or manufacturing could make a marked contribution to total output. In agriculture, for example, the East-Ghor Canal alone was estimated to have been responsible for about one fourth of the increase in the value added of all agricultural output between 1959/60 and 1965/66, while the establishment of only two firms, the petroleum refinery and a cement plant, represented an increase in value added in manufacturing of more than a third⁽⁵⁹⁾. Furthermore, just as one may argue that Jordan's reliance on foreign aid was due to her negative rate of savings, one may argue exactly the opposite : that her low rate of savings was partly due to the large flow of aid, or that her excessively high expenditure on defence was made possible by the flow of foreign aid. It could be also said that the increase in the flow of foreign aid to Egypt and Syria carried part of the blame for the very small increase in Egypt's rate of savings and its decline in Syria.

Most of the criticism directed to foreign aid centers either on the fact that it is not large enough, that it is economically or politically tied, or that its distribution among underdeveloped countries is governed by political and military considerations rather than by need. What seems to be the worst aspect of foreign aid, however, is the kind of political climate which it tends to foster in the aid-receiving country, particularly when it is as large as the aid received by Jordan or Egypt. In the 1962 National Charter of Egypt, one main aim of economic policy was stated to be « to raise both consumption and investment at the same time ». This « difficult equation », as the problem was then called, had in fact been simply « solved » since 1956 by Nasser's success in securing vast amounts of aid. The real problem, however, was that the Egyptian government seems to have believed that to increase the country's ability

(56) See Table (3).

(57) See Table (2).

(58) 1.5 during 1954 — 66.

(59) *Ibid.*, pp. 258 — 61.

to get more aid had no repercussions on its ability to raise the rate of saving, so that if the former were no longer forthcoming all that had to be done was to rely on the latter. What happened was that by the time it became clear that the balance of payments had been too overburdened by the repayment and servicing of foreign loans to be ignored, and that foreign aid was likely to be heavily reduced⁽⁶⁰⁾, the government had already created a political and social climate in which it was almost impossible to fall back on the people's or the government's own ability to save. Privileged groups had already grown to such a degree of strength that consumption patterns had to be allowed to continue; labour had already been accustomed to interpret « socialism » as higher wages for less work, and the country's development potential had come to be regarded as a matter of international politics, the secrets of which were known only to the president. Egypt had therefore no choice but to cut her rate of investment to bring it to a level with the country's low ability to save⁽⁶¹⁾, a course which was described by Hansen as « by far the most gloomy feature of the U.A.R. economy »⁽⁶²⁾. The high rate of growth which had been realized after 1956 could not therefore be maintained after 1963 when a decline set in, and by 1966/7 it had fallen far below the rate of population growth⁽⁶³⁾.

TABLE 7

Egypt Gross Investment and Gross Domestic Savings of GNP. (1959/60 — 1968/69)

Year	Gross Invest-ment	Gross Domestic Savings	Year	Gross Invest-ment	Gross Domestic Savings
1959/60	12.5	12.8	1964/5	17.8	14.1
1960/61	15.5	14.4	1965/6	19.6	13.7
1961/62	16.6	10.9	1966/7	15.7	15.1
1962/63	17.8	11.6	1967/8	13.7	12.2
1963/64	19.7	12.5	1968/9	12.0	12.9

Source : Egyptian Ministry of Planning. *Follow-Up and Evaluation Report on the First Five-Year Plan*, and *Annual Reports* of following years.

(60) The U.S. aid to Egypt, which consisted mainly of food, was reduced from its peak of \$ 175 million in 1964 to \$ 70 million in 1965 and 55 million in 1966. (Kanovsky, E. : *The Economic Impact of the Six-Day War*, Praeger, N.Y., 1970, p. 252).

(61) See Table (7).

(62) Hansen, B. : Planning and Economic Growth in the U.A.R. (1960 — 65) In Vatikiotis, P. (ed.) : *Egypt Since the Revolution*, Allen & Unwin, London, 1968, p. 27.

(63) Between 1962/3 and 1966/7 the annual rates of growth of GNP were 8.0, 6.4, 4.9, 4.5, and 7% for the respective years.

4. Education :

Political factors have also been responsible for several features of the development of the Arab educational system. The problem here is not that Arab governments have been spending too little⁽⁶⁴⁾, but rather that the distribution of their expenditure among the various types of education has been faulty, and that its expansion has been at the expense of the quality of learning.

Accepting a social bias against manual labour, Arab governments have allowed general secondary education to outgrow technical and vocational training. But on facing an increasing number of students who, having finished their secondary education, demanded places in the university, the governments again yielded to the pressure by expanding university education, particularly the less costly faculties of arts and humanities, out of all proportion with the employment opportunities for university graduates. Faced with another political problem resulting from the unemployment of university graduates, Arab governments have again yielded to the pressure by overburdening the state budget with the cost of supporting all university graduates irrespective of their actual contribution to production. Meanwhile illiteracy rates were allowed to remain surprisingly high.

In the early 1960's illiteracy rates for the age group 15 — 24 years was not lower than 55% except in Lebanon (10.2%) and Jordan (38.0%) and no less than 95% in Saudi Arabia⁽⁶⁵⁾. If such a high rate is understandable for countries like Saudi Arabia where university education had started only two years before, or like the Sudan where the first secondary school in the southern provinces was not opened until 1948, it is much more difficult to understand why Egypt, who had introduced modern university education more than half a century before should still have in 1960 a 75% illiteracy rate among the same age group. Since 1960, the countries which had the highest illiteracy rates increased their primary-school enrolment at quite high rates. This is not true of Egypt, however, where the rate was not much higher than the rate of population growth⁽⁶⁶⁾. Thus as late as 1967 Egypt still had an illiteracy rate of 75% for persons above 10 - years old⁽⁶⁷⁾.

(64) In 1966 — 67 public expenditure on education as a percentage of total government expenditure ranged between 9.5% in Kuwait to 23.9% in Syria, and as a percentage of GNP from 2.7% in Lebanon to 5.9% in Iraq. (UNESCO : *Statistical Yearbook*, 1970).

(65) UNESOB : *Studies on Selected Development Problems*, 1970, pp. 79 — 84.

(66) See Table (8).

(67) *Al-Ahram*, 26.2.1971. In 1955 the Egyptian government announced a program by which all children of the age group 6 — 12 would find a place in school by 1964. By 1965 the enrolment ratio was still only 40%. The program was replaced by another aiming at absorbing all the 6 — year-old by 1969. By 1971 this had not yet been achieved (see Issawi, Charles, *Egypt in Revolution*, London, 1963, pp. 91 — 2 and Abdallah, Ismail, *Basic Principles in the Planning of Education*, *Al-Taliaa*, Feb. 1971, p. 82.

TABLE 8

Average Annual Rates of Growth of School Enrolment

Country	Period	Primary (%)	Secondary (%)
Lebanon	1958 — 66	7	13
Jordan	1958 — 66	5	8
Syria	1961 — 68	7	13
Libya	1960 — 67	10	16
Iraq	1957 — 66	10	17
Kuwait	1956 — 65	14	19
Egypt	1960 — 67	4	13
Sudan	1960 — 67	7	11
Saudi Arabia	1958 — 67	11	19

Source : UNESOB : *La Croissance Economique*, (mimeo), Beirut 1971, p. 47.

The mere lack of financial resources is no more acceptable as an excuse for allowing such high illiteracy rates to persist than as an excuse for other deficiencies. According to an estimate made for Egypt by UNESCO, teaching one person to read and write does not, or at least should not cost more than £E 2.4 including his share in the cost of administration, inspection and propaganda as well as that of teachers and teaching equipment⁽⁶⁸⁾. The total cost of teaching about 16 million illiterate Egyptians above the age of 10 to read and write would therefore be no more than £E. 40 million, a sum certainly within the reach of the Egyptian administration.

Enrolment ratios in primary schools (i.e. the number of students as a proportion of the number of population at primary-school age) had nowhere reached 60% in 1965 and, except for Kuwait, it is considerably lower for secondary schools⁽⁶⁹⁾. These ratios, however low, can still be misleading since they do not allow for the large percentages of dropouts nor for the relapse into illiteracy, particularly in rural areas, because of the lack of reading materials and other educational facilities. A UNESCO mission to Iraq, for example, found that for the period 1949-63 only about 65% of those who entered primary school reached the sixth grade, 29% reached the third secondary, 19% reached the fifth secondary and only 12% passed their secondary school certificate. Among the reasons given for the large

(68) This estimate was made on the assumption that out of a class of 40 students, 30 would successfully finish the course (UNESCO : *The Organization and Financing of Literacy Campaigns in Arab Countries*, (Arabic), Serse El-Layyan, Egypt, 1965, p. 127).

(69) See Table (9).

percentage of dropouts were the dependence of parents on their children's assistance as farm hands, the inaccessibility of some schools, the traditional seclusion of older girls and the financial burden of schooling on parents⁽⁷⁰⁾.

TABLE 9

School Enrolment (1965)

Country	School Enrolment Ratios		Students Enrolled in Secondary Technical Schools as % of All Students
	(1) Primary (%)	(2) Secondary (%)	
Lebanon	52	33	0.3
Jordan	57	49	0.8
Syria	45	38	0.9
Libya	46	28	—
Iraq	41	29	0.6
Kuwait	51	80	1.2
Egypt	40	21	—
Sudan	13	7	—
Saudi Arabia	15	5	0.9

(—) Not available.

(1) Number of students enrolled in primary schools as a percentage of estimated population 5 — 14 years old.

(2) Number of students enrolled in all secondary schools (general, vocational, teacher-training) as percentage of estimated population 15 — 19 years old.

Source : UNESOB : *Studies on Selected Development Problems*, 1970, pp. 79 — 84.

Enrolment in technical schools has been growing much more slowly than in secondary schools of general education. For example, compared with a 13% annual rate of growth of enrolment in all secondary schools in Syria and Lebanon, enrolment in technical schools was growing at only 3% in Lebanon (1958 — 66) and declining by 3.4% annually in Syria (1961 — 68)⁽⁷¹⁾. Similarly an absolute decline in enrolment in technical schools occurred in Iraq and their share in all secondary school students declined from 21% in 1957 to 4% in 1967⁽⁷²⁾. Technical secondary education therefore still absorbs a very low proportion of all students, the highest, that of Kuwait, being 1.2% compared with 8.3% in France and 31.4% in U.S.A.⁽⁷³⁾.

(70) U.N. : *1970 Report on the World Social Situation*, p. 74.

(71) UNESOB : *La Croissance Economique et Le Niveau de Qualification de La Population Active dans Divers Pays du Moyen-Orient*, (mimeo) Beirut, April 1971, p. 54.

(72) *Ibid*, pp. 151 — 3.

(73) See Table (9) According to the same source (footnote 71) technical secondary education in Iraq was allotted 2.1% of total public expenditure on education in 1966, compared with 17.2% for secondary general education and 12.0% for higher education.

Arab countries can indeed boast of enrolment ratios in higher education comparable to those of some advanced countries. Jordan, for example, has the same ratio of higher-education students to total population as have France and Sweden (11 per thousand) while Syria, Lebanon and Egypt had about the same ratio as Western Germany and Britain (5 to 6 per thousand). In 1966, between 60 and 80% of all students in Arab universities were studying arts, social services and humanities, and not more than a third, except in Egypt and Iraq were studying applied sciences and sciences proper. Among the latter only a small fraction was studying agriculture⁽⁷⁴⁾.

TABLE 10

Enrolment in Higher Education (1966)

Country	Higher-Education National Students Per 100 of Population	Percentage of Higher Education Students Learning :	
		Law, Social Science & Humanities	Other
Lebanon	6	83	17
Jordan	11	85	15
Syria	6	71	29
Libya	2	73	27
Iraq	3	54	39
Kuwait	3	79	21
Egypt	5	52	48
Sudan	1	68	32
Saudi Arabia	1	71	29

Sources : UNESCO : *Statistical Yearbook*, 1969 and UNESOB : *Studies in Selected Development Studies*, 1970, pp. 79 — 84.

A useful distinction is that between consumption education and investment education :

« Teaching an African cook to read may increase his enjoyment of life but will not necessarily make him a better cook »⁽⁷⁵⁾.

(74) See Table (10) Of all students in higher education, those studying agriculture did not constitute more than 1.6% in Syria (1967), 1.9% in Lebanon (1969), 4.1% in Saudi Arabia (1966) and 4.9% in Jordan (1966). The same bias is also observed in secondary technical schools where the ratio is two students at agricultural schools for every ten at industrial ones (UNESOB : *La Croissance Economique*, op. cit., p. 56 and El-Koussy, A.A. : Education in the Arab States of the Middle East, in Adams, M. (ed.) : *The Middle East. A Handbook*, Anthony Blond, London, 1971, p. 510).

(75) Lewis, A. : Education and Economic Development, in *Social and Economic Studies*, Vol. X, no. 2, June 1961, p. 113.

By the same token, to educate thousands of students every year in law, commerce or the humanities merely to appoint them as government clerks is merely consumption education, although it is more doubtful in this case that their enjoyment of life is thereby increased considering the disappointment they continuously feel. Their productive capacity may indeed be lower, because of their discontent, than if the same job was done by others who are far less educated. In most Arab countries even a large part of postgraduate education could be so regarded, considering that even university professors are often engaged in routine work which indeed reduces their capacity for teaching and research. But what is probably the worst example of wasted education is the recruitment of highly qualified persons in political activity which could be better done by others, or better still, not done at all.

While this distribution of university students has resulted in an oversupply of graduates of faculties of law, commerce and the arts, the slow increase of enrolment in technical education has created shortages in intermediate technicians such as foremen, laboratory assistants, nurses ... etc. In some countries, particularly Syria and Lebanon, even the supply of engineers and natural scientists seems to have exceeded the demand for them⁽⁷⁶⁾. What is certain is that the conditions of work offered to them are becoming increasingly inadequate compared with what they are offered abroad. Between 1962 and 1967 more than 5000 professional and technical workers emigrated from five Arab countries to U.S.A. and Canada alone, of whom 50% were Egyptians⁽⁷⁷⁾. Of all scientists and engineers emigrating from Egypt, about 70% have Ph. D. and 17.5% have Master's degrees⁽⁷⁸⁾. During the same period Jordan lost to the U.S.A. and Canada about one third of her 1961 stock of natural scientists⁽⁷⁹⁾.

But what is by far the grimmest feature of Arab educational System is the quality of what is being taught. This again is not merely a quantitative matter of the little amount of knowledge acquired in Arab schools, whereby the student may leave the primary school hardly able to read and write, or

(76) See Table (11).

(77) See Table (12).

(78) *Al-Ahram*, 2.1.1970.

(79) Godfrey, E. : The Brain Drain from Low-Income Countries, *Journal of Development Studies*, April, 1970, p. 238.

TABLE 11

Ratio of the Annual Number of Emigrants to France, U.S.A. and Canada
to the Annual Number of Graduates From the Related Field of Study
By Country of Last Permanent Residence (1962 — 66)

	Engineers F + U.S. + C	Natural Scientists F + U.S. + C	Physicians F + U.S. + C	Nurses U.S. + C	Social Scientists U.S.
Iraq	9.2	—	4.9	—	0.1
Jordan	—	**	**	21.8	**
Lebanon	35.5	10.5	24.9	—	0.5
Syria	56.5	11.7	9.3	—	0.8
Egypt	1.9	4.6	3.7	1.1	0.06

(—) Not available.

(**) Indicates that there were emigrants in the category concerned but no new graduates.

Source : As for table (12).

TABLE 12

Immigrants Admitted into U.S.A. and Canada By Country of Origin

Country	Total Immigrants (1962 — 67)	Professional and Technical Workers (1962 — 67)	Engi- neers	Natural Scientists		Profes- sional Nurses
				1962	1966	
Egypt	15901	2403	172	76	165	21
Lebanon	6674	956	155	56	91	55
Syria	2071(a)	384(a)	71	22	15	8
Iraq	3382(b)	657	99	48	24	8(c)
Jordan	6302(b)	694	54(c)	38	14	16

(a) For immigrants into U.S. : 1963 — 66.

(b) For immigrants into Canada : 1964 — 66.

(c) Engineers admitted into U.S. only.

Source : Henderson, G. : *The Emigration of Highly-Skilled Manpower from the Developing Countries*, United Nations Institute for Training and Research, (mimeo.), N.Y. 1970, pp. 170 — 2.

the low teacher-student ratios⁽⁸⁰⁾ or the poor equipment of schools and universities in educational means. More important is that much of what is taught is irrelevant or outdated, that the existing system of education discourages independent thinking, obliterates the country's history in the name of revolution, ignores national characteristics in the name of progress and deprives the rural population of their most promising members in favour of the city.

One prominent Egyptian educationalist, commenting on the quality of the Egyptian educational system, wrote :

« Students still absent themselves from school a month or six weeks before final examination in order to cram. Examination questions test facts and informational material rather than thinking, and text books are overcondensed. To make matters worse, teachers compress the texts into abridged notes, which in turn the students abridge further into nut-shell facts to be reproduced in the examinations. Even on the university level, instructors often lean heavily on one text-book with no collateral readings, and in many cases hold their students responsible only for their mimeographed or private notes... Even those schools which have libraries with a few books and periodicals, do not offer any facilities to enable either teachers or students to profit by them. In many cases, these books and periodicals are locked up most of the time and are beyond the reach of those who desire to read... For ever a century, up to a decade or two ago, Egypt boasted of the fact that its educated men and women, even though comprising a minor proportion of the population, were well conversant with foreign languages, notably English and French. Following World War II, however, enthusiasm for teaching these languages became noticeably lukewarm. Students were allowed to receive their secondary certificate and join the universities with a low passing grade and lately even with failures in those languages... Formerly, those

(80) According to official statistics, between 1953/4 and 1965/6 the number of students for every teacher increased from 30 to 40 in primary schools, from 12 to 19 in general secondary schools and from 6 to 13 in technical secondary schools. Another source mentions a decline in the staff-student ratio in the arts colleges in Egyptian universities from 1 : 7 in 1930 to 1 : 60 in 1962.

(U.A.R. Agency for General Mobilization and Statistics : *Population growth and its Challenges to Development* «Arabic», Cairo, 1966, p. 192; Vatikiotis, P. : *The Modern History of Egypt*, Weidenfeld & Nicholson, London, 1969, p. 425. See also Awad, L. : *The University and the New Society*, «Arabic», Al-Dar Al-Kawmeya, Cairo, 1965 ? and Qubain, F. : *Education and Science in the Arab World*, John Hopkins Press, Baltimore, 1966).

who taught English and French... were English and French-speaking men and women. Now they are all Egyptians, or residents from other countries. Only a minute fraction of these are competent to teach these languages... »⁽⁸¹⁾.

Of the effect of the revolution on Egyptian education, Dr Louis Awad gives the following examples. In the history book taught to 12-year Egyptian students, out of 70 pages covering Egypt's history from the year 1517 to the present, one third is dedicated to 15 years of the history of the 1952 revolution, the remaining two thirds being dedicated to the history of about 435 years. The same student is told that one of three reasons responsible for Mohamed Ali's failure to establish « a great state » is that he was not of Arab origin and did not speak Arabic. He is not told however who sat on Egypt's throne between 1919 and 1936. The name of the following king, Farouk, is mentioned because of his connection with the 1952 revolution⁽⁸²⁾.

The kind of education which is provided for the inhabitants of Arab villages is not designed in a way that could help the villagers themselves but merely prepares their children for employment in the towns. A study of education in rural Iraq was conducted in a village lying in one of Iraq's most fertile rice producing areas near the city of Amara, and given by the author the fictitious name of « Umm Al-Nahr » in order to protect confidences. The school which the author describes in the following quotation serves this village as well as some thirty five or forty other villages in the district :

« Although rural school teachers are somewhat below the standard of town and city teachers, the poor showing of this school and others like it is not primarily dependent upon teaching standards or upon a lack of intelligence among the students, the reasons so often cited in Iraq. This poor record is rather a function of the unsuitability of the school curriculum for the students and the consequent lack of village association with the school. The school teaches, in effect, an alien curriculum suitable for Baghdad, for which it was designed.

I call the curriculum alien since it has no real relevance or meaning to the village children. Their world is limited to the

(81) Boktor, A. : *The Development and Expansion of Education in the U.A.R.*, American University in Cairo Press, Cairo, 1963, pp. 163 — 8.

(82) *Al-Ahram*, 193.1971.

immediate neighbourhood of the village, still closer to the world of Ur and Babylon than it is to our modern world. Yet the school attempts to bridge this vast gap and to prepare the students for life in this other world, which does not as yet exist for them. The school, by teaching the three R's, geography, civics, hygiene, physical education and even English attempts to equip the students for a world which is meaningless. Hygiene classes, for instance, teach the village boy that, if he brushes his teeth, gets exercise, a balanced diet and keeps clean, etc., he will be healthy. This sort of lesson makes a great deal of sense for a boy who lives in New York or Iowa or even Baghdad, but bears no relationship to life in Umm al-Nahr, where animal dung is used for fuel, where barefoot peasants walk through fields infested with hookworm, and where the only drinking water available is almost certain to be contaminated.

If, despite all the difficulties facing the village boy, he attains his certificate and bridges the gap between Umm al-Nahr and the modern world, his value to the village is less than it would have been had he remained illiterate. By becoming literate, he has become superior to his neighbours in the village who have been unable to bridge the gap. He then goes to the city to make his fortune as a minor government worker, a labourer, a clerk or employee in some other low-level position »⁽⁸³⁾.

A depressing example of the thoughtless attempt at « modernizing » Arab-education at the expense of national characteristics is provided by the Egyptian revolution's « reform » of Al-Azhar, as a result of which one of the oldest universities in the world has been reduced to a miserable replica of the existing state universities. Rather than trying to rid it of its medieval scholasticism but preserve its age-old functions of training theologian and specialists in Islamic law for the whole of the Muslim world, the government hastily announced a bill of reform which became law in July 1961 and virtually amounted to its « nationalization ». The Azhar Shaykh was described by the president as « a stooge of reaction, feudalism and capitalism » and the reform was presented as necessary if Al-Azhar is « to adapt itself to contemporary times », if the Africans trained at Al-Azhar could find jobs when they returned home and if its graduates were to become « capable of production... and able to participate in... progress »⁽⁸⁴⁾.

(83) Quint, M. : The Idea of Progress in an Iraqi Village, in Nolte, R. (ed.) *The Modern Middle East*, Atherton Press, N.Y., 1963, pp. 113 — 114.

(84) Crecelius, D. : Al-Azhar in the Revolution, *Middle East Journal*, Winter, 1966, pp. 39 — 42.

Al-Azhar thus became the fifth Egyptian state university and to the old faculties teaching religious subjects and Arabic languages were added new faculties for business administration, agriculture, engineering and medicine, instruction in the last two being in English. « In vain went the Shaykh's attempts to point out that Azharis could not possibly study *tafsir* and medicine side by side, the work load being too great »⁽⁸⁵⁾. On the resignation of some of Al-Azhar Shaykh's in protest, the government appointed Western educated « Shaykhs » in their place so that, by 1966 all the deans of Al-Azhar university were holding Ph. D. degrees. The Imams started to be trained so that they became able to teach socialism to the masses. The old tradition of Al-Azhar according to which the students were allowed freely to discuss what they hear from their Shaykhs, to chose their teachers as well as the time of examination gave way to the more «modern» system of regular examinations and of text books being forced on the students. Meanwhile the high prestige enjoyed by Al-Azhar Shaykhs in the Muslim world continued to be used by the government in support of its international and domestic policies.

5. *Arab Nationalism and Economic Development :*

A most powerful force in the economic development of the now-advanced countries, « at least as important as the profit motive », was, according to Rostow, the force of reactive nationalism. « Men holding effective authority or influence have been willing to uproot traditional societies not, primarily, to make money but because the traditional society failed, or threatened to fail — to protect them from humiliation by foreigners »⁽⁸⁶⁾. National reaction to past humiliation or to a serious threat of foreign intervention was, according to Rostow « the great engine of change » in Germany, Russia, Japan, China as well as in England⁽⁸⁷⁾.

(85) *Ibid.* According to this source the government's reform of Al-Azhar was declared in such haste that forces which might have opposed it were never given time to defend Al-Azhar. A committee was formed to discuss the proposed reforms including government as well as Shaykhs' representatives. « Two bills were submitted for consideration, one supposedly representing the government's and one the Shaykh's. Both however seem to have been prepared by the government since the unpublished minutes clearly reveal that the Azharis did not know what was in their version. They asked for adjournment in order to study its contents... Handicapped by a lack of knowledge concerning parliamentary procedure they were constantly silenced on points of order... » (*ibid.*, p. 38) See also : Kraemer, J. : Tradition and Reform at Al-Azhar University, in Rivlin, B. & Szyliowicz, J. (eds.) : *The Contemporary Middle East. Tradition and Innovation*, Rand House, N.Y., 1965, pp. 338 — 43.

For a sympathetic view of the reform see Boctor, *op. cit.*, p. 195.

(86) *The Stages of Economic Growth*, *op. cit.*, pp. 26 — 7.

(87) *Ibid.*, pp. 27 — 35.

Many of the psychological traits which are generally recognized to be generated or enforced by war could also be generated by a strong nationalist movement against an existing foreign occupation or the danger of foreign domination. Among these are a strong sense of loyalty to the homeland and of social solidarity, an unusual readiness to accept new sacrifices and a strong desire to prove one's nation to be equal or superior to the foreign country. Just as these qualities may be conducive to victory in war they also can, if they are to last long enough, be favourable to economic development through their positive effects on the amount of effort, initiative and savings⁽⁸⁸⁾.

In the Arab world such a wave of enthusiasm and notional pride seems to have taken place during the second half of the 1950's. This was first generated by Nasser's strong opposition to the treaty known as the Baghdad Pact in 1955 which, of all Arab countries, only Iraq dared to sign, by his arms deal with Czechoslovakia in September of the same year, but primarily by Nasser's nationalization of the Suez Canal in 1956 and shortly after by his proud rejection of the Eisenhower Doctrine (1957-8), and reached its zenith when Egypt triumphantly united with Syria in February 1958. It was then that Nasser had possessed a degree of power and popularity never achieved before or since and was hailed not only in the Arab world but all over the third world as a symbol of their revolt against « the humiliation by foreigners ». A civil war followed in Lebanon in April-May 1958 which was essentially a battle between pan-Arabist groups and the separatists among the Lebanese who favoured the continuation of an independent Lebanon with closer ties with the Western Powers. Nationalist feelings were only intensified by the landing of U.S. marines in Lebanon and of British paratroops in Amman and again by the Iraqi revolution in July. In the following month King Saud reluctantly yielded to the pressure of influential Saudis and appointed Prince Faisal to the presidency of the Council of Ministers with unlimited power to govern the country, and a number of reforms were hurriedly introduced.

In the words of Professor Vatikiotis, as a result of Nasser's political victories of that time :

« his Arab detractors or rivals, Nuri-al-Said of Iraq, King Saud of Arabia, King Idris of Libya and others, were cowed, the Lebanese

(88) Arthur Lewis notes the favourable effect which such a general mood of enthusiasm can have on literacy campaigns, especially among adults, indeed its very necessity for the success of such campaigns, thus « the Danish folk movement or the Russian literacy campaigns or any other adult education movement has been successful in so far as it has stirred the imagination of the people and created a mass desire to learn ». Education and Economic Development, *Social and Economic Studies*, June, 1961 pp. 121 — 2.

were terrified, the British and French humiliated and the Americans awed by their belief that the Arab-world had surely found its Bismark »⁽⁸⁹⁾.

To many people in the West, the Arab nationalist movement of the 1950's may have appeared too aggressive and possibly naive, and the slogan of « positive neutrality » which was raised at the time, as little more than a myth. To the Arabs, however, these were glorious years and, looking back at them one can hardly avoid noting that the political climate which prevailed during them, had it lasted, could have been most favourable to economic development. Nor can one avoid noting that these were also Egypt's best years of the whole of the past two decades not only in economic performance but even in the vitality of cultural life. In fact had the Arab nationalist movement of that period borne its full economic fruits, Rostow would most probably have found in it a new evidence of the truth of his theory. Having failed, however, Rostow, in his new book, did not hesitate to condemn it⁽⁹⁰⁾.

For about a decade following the eventful year of 1958, neither Israel nor the Western Powers ventured seriously to provoke the Arabs. Whether or not this was a direct result of the failure of the opposite policy it was certainly a major cause of the decline of the Arab nationalist movement. While deprived of the target of an obvious Western threat no substitute seemed powerful enough to arouse dormant nationalists. When the threat of an Israeli attack rose again in May 1967 nationalist feelings were suddenly aroused and Nasser's popularity quickly soared, but the whole crisis did not last for more than a few weeks.

Neither the ideal of socialism, nor of economic independence, nor of a unified Arab state seemed able to do the job. Nationalization did not make much sense to a country relying on trade or tourism, like Lebanon, or with such a small industrial base like most of the rest. Soon after the Suez affair the only significant foreign private investment in Arab countries, other than Lebanon, was that of the oil companies, but neither Nasser nor any other Arab leader made a public issue of the nationalization of oil companies. It seemed neither economically rewarding nor, in the light of the attitude of the governments of the oil countries, politically feasible. Even in the aftermath of the 1967 war the suspension of the flow of oil, let

(89) Vatikiotis, P. : *Conflict in the Middle East*, Allen & Unwin, London, 1971, p. 132.

(90) *Politics and the Stages of Growth*, Cambridge University Press, Cambridge, 1971, pp. 279 — 82.

alone its nationalization, was not used as a political weapon for more than a few days.

Social justice was admittedly wanting all over the Arab world, but no one would have expected it to arouse such a militant crusade as could be aroused by the threat of a foreign intervention. Moreover, the fight for social justice, in contrast to that against a foreign enemy, is essentially a local problem for which every country had to find its own particular solution and its own source of inspiration.

The ideal of Arab unity was also insufficient. Economists may go on for ever pointing out the advantages of a wider market and the greater bargaining power of a unified state. But these economic advantages may apply as much to Iraq joining Kuwait as to Iraq joining Iran or Turkey. Similarly, no amount of literature or speeches on the political advantages of a unified state can by themselves generate a strong nationalist movement in the absence of an obvious foreign threat. A strong nationalist movement generated by such a threat may however be a powerful instrument in bringing about an economic as well as a political union.

But what probably proved to be the biggest blow to the Arab nationalist movement was that any advocacy of a policy of « positive neutrality » became gradually meaning-less. By the early 1960's it had become clear that the game in which Nasser had been engaged since 1955 of playing off one foreign power against another, could no longer continue and Arab governments were forced to rely exclusively on one of the two super-powers. There is some evidence that Nasser did for some time try to resist it and to rely on his country's own material and human resources, but for both external and internal reasons this course seems to have been closed to him. Even if the political and economic interests of the super-powers could have been assumed to allow it, such a course would have required the loosening of political control and the elimination of the economic privileges of the governing elites to a degree which Nasser was not prepared to grant.

Ironically, but significantly, as Nasser grew increasingly dependent on the Soviet Union, he also became increasingly willing to effect a rapprochement with Arab monarchs whom, in his few years of independence, he had called reactionary. National dignity seemed to be divisible, so that while the Arabs came to be repeatedly told that they were indeed « liberated » from the domination of one power, they were at the same time continuously urged to be grateful to the other. If their countries were defeated at war it was to be generously admitted by Arab governments that the fault was not that of any one but their own people. And the people believed it,