

**THE MIDDLE EAST PEACE DILEMMA:
BILATERAL POLITICAL NEGOTIATION FOR
MULTILATERAL ECONOMIC COOPERATION?**

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**The Middle East Peace Dilemma: Bilateral Political Negotiation for
Multilateral Economic Cooperation?***

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Abstract

Prospects for Middle East economic cooperation are largely determined by the underlying political structure of the Middle East peace process. The Middle East peace dilemma lies in identifying the most effective form of negotiation - bilateral or multilateral - for the promotion of economic cooperation in the region. The capacity of bilateral dialogue to nurture effective economic cooperation is curtailed by impediments to cooperation including ongoing conflict; external strategic political alliances; and, economic structural distortions, which affect *more than two* countries. The continuing bilateral approach to the peace process encourages quantitative rather than qualitative structural changes since each new player is brought into the dialogue on the basis of specific strategic interests of two parties rather than the collective interests of the region. This approach may bring about short-term economic progress but has limited potential for long-term sustainable development. A multilateral forum, however, can provide a more suitable environment for promoting economic cooperation through encouraging full inclusion of all players in the political process and ensuring that all players' economic interests are satisfied proportionately.

ملخص

تحدد احتمالات تحقيق التعاون الاقتصادي في الشرق الأوسط إلى حد كبير بالهيكل السياسي لعملية السلام. وتكمن معضلة السلام في الشرق الأوسط في تحديد الشكل الأنسب للتفاوض - الثنائي أو متعدد الأطراف - من أجل دعم التعاون الاقتصادي في المنطقة. وثمة عوائق للتعاون تحد من قدرة الحوار الثنائي على تنمية التعاون الاقتصادي الفعال، مثال ذلك: النزاع الراهن والتحالفات الاستراتيجية والسياسية الخارجية، والتشوهات الهيكلية الاقتصادية التي تؤثر في أكثر من دولتين. ويشجع الاتجاه الثنائي المستمر لعملية السلام التغيرات الهيكلية الكمية أكثر مما يشجع التغيرات النوعية، حيث أن انضمام كل لاعب جديد للحوار يكون بناءً على مصالح استراتيجية معينة لطرفين وليس بناءً على مصالح جماعية للمنطقة. وقد يحدث هذا الاتجاه تقدماً اقتصادياً قصيراً الأجل، غير أن قدرته على إحداث تنمية متواصلة طويلة الأجل تعد محدودة. إن منتدى متعدد الأطراف من شأنه أن يوفر بيئة أنسب لدعم التعاون الاقتصادي عن طريق تشجيع ضم كافة اللاعبين إلى العملية السياسية وضمان تحقيق متناسب للمصالح الاقتصادية لكافة اللاعبين.

CONTENTS

I. INTRODUCTION	1
II. A COMPREHENSIVE PEACE	2
III. THE DRIVING FORCE: THE PEACE DIVIDEND	3
IV. THE STATE OF THE CURRENT PEACE PROCESS	9
V. BILATERAL VERSUS MULTILATERAL AGREEMENTS	14
VI. CONCLUSION	16
REFERENCES	18
TABLES	19-24

I. INTRODUCTION

The year 1993 witnessed the end of an impasse in the Middle East peace process; an impasse that had for many months appeared to be insurmountable. The climax was the unprecedented handshake between Yasser Arafat, (the Chairman of the Palestine Liberation Organization (PLO)) and Yitzhak Rabin, the Prime Minister of Israel. The handshake of the 13th of September 1993, followed the signing of the Declaration of Principles (DoP) - a bilateral agreement aimed officially at bringing an end to over forty years of belligerence between Palestinians and Israelis.

However, eighteen months on from the DoP, prospects and optimism regarding future peace in the area have subsided. Despite intermittent bilateral attempts to forge further political agreements with Israel e.g. Jordanian/Israeli agreement, the chances of genuine self-determination and autonomy for all Palestinian Territory seem less and less likely. The initial international euphoria has subsided with the realization that the DoP, as its name suggests, is a basis of principles for further negotiation and not in itself a watershed in regional peace-making.

Ongoing negotiations over the course of the last eighteen months have demonstrated effectively that “peace” is by no means a concept with a common definition and perception. Inevitably, each regional and international player in the Middle East peace process has an agenda formulated on their individual interpretation of the components and desired outcome of “peace”. This paper questions whether a multilateral political forum can form the basis for regional economic cooperation more or less effectively than a bilateral one.

This evaluation is predicated on the following three assumptions:

- 1. Political conflict resolution, in conjunction with other factors conducive to cooperation, is a prerequisite to long-term sustainable economic cooperation in the Middle East given the area's history of conflict and the ongoing belligerent Israeli occupation of Arab lands.*
- 2. The quality of the outcome of the political process that aims to resolve this conflict will determine the quality of future regional economic cooperation since political agreements effectively form the structural foundations for such cooperation.¹ Political agreements that increase peace initiatives on a quantitative basis rather than a qualitative one will be less conducive to regional structural changes that can override the asymmetry and distortions in the prevailing power structure.*
- 3. Asymmetrical and distorted regional political structures are vulnerable to exploitation by external powers. External interests can compound regional divisions through strategic political alliances.*

¹ The Camp David agreements signed between Egypt and Israel in 1978 are a good example of how a bilateral political agreement that excludes key regional players has only very limited potential for economic cooperation (see section V.4.).

This paper aims to examine the need for a long-term sustainable political framework in terms of providing a basis for equitable cooperation that treats the region as an economic bloc rather than a fragmented amalgam of states. Attempts to maintain the existing political and economic fragmentation of the region are likely to be costly in both financial and human terms.

Disproportionate benefits that accrue to one player will merely serve to perpetuate the intra-regional suspicion that has prevailed in the past. Each individual player will consider very carefully their own potential dividend in addition to that of other players before they make a commitment to cooperation. Thus, the perceived distribution of the “peace dividend” becomes a significant factor in determining whether bilateral or multilateral cooperation should prevail.

Long-term peace and political and economic stability will be threatened if even one of the regional players is not satisfied or if the “peace dividend” is distributed disproportionately.

II. A COMPREHENSIVE PEACE

Middle East peace remains a multi-faceted concept, undefined and open to highly subjective interpretation. Efforts to clarify the issue have been made during the Palestinian-Israeli negotiations. The DoP states quite categorically that:

“The Government of the State of Israel and the P.L.O. team (in the Jordanian-Palestinian delegation to the Middle East Peace Conference) (the “Palestinian Delegation”), representing the Palestinian people, agree that it is time to put an end to decades of confrontation and conflict, recognize their mutual legitimate and political rights, and strive to live in peaceful coexistence and mutual dignity and security and achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process.”²

However, the extensive use of the term “just, lasting and comprehensive peace.....” over the course of the last few years has led to a certain obfuscation of its exact meaning. Indeed, the impact of this phrase has been devalued dramatically as it has become a predictable component of Middle East “political speak”. Obfuscation is compounded when the DoP is referred to as a “peace” agreement - in fact the document does no more than set a formal agenda for future negotiations with no guarantees.

“Peace making” is also vulnerable to the influence of alternative agendas that target more than conflict resolution. Subjectivity also stems from the political power of those who initiate the process and who “implement” peace. Therefore, despite a certain post-war consensus that peace is universally desirable for the sake of international security, economic growth, and a general improvement in the quality of the human condition, the definition of peace is still dependent on interrelated interests of the individual players.

² (Introduction to the Declaration of Principles: signed 13/09/93)

Broadly speaking, conflict in the Middle East stems largely from the Israeli occupation of Palestinian, Lebanese, Syrian, and Jordanian land. This has constituted a major issue of contention that impedes regional economic cooperation, distorts economic and political structures and prevents peace. The removal of such distortions and a move towards regional peace is therefore dependent on the ending of illegitimate Israeli occupation as defined in UN Security Council Resolutions 242, 338 and 425.

Genuine peace must consist of a radical structural change in the region in terms of political, economic and social relations such that the strategic security and stability of all regional states can be met through cooperation and common infrastructure rather than through belligerence and war.

A peace process that engenders such a restructuring will have the capacity to embed a new strategic security framework thus creating new regional relations based on cooperation. Furthermore, comprehensive peace will promote sustainable cooperation with all its potential benefits that include an increased inflow of foreign capital and the interlinking of national private sectors in line with modern globalization trends.

Genuine peace therefore, is a peace that instills a new spirit of development in the region and that fosters the growth of democratic, socially and economically and politically stable nations.

More specifically, from a Palestinian perspective, a successful peace process is one that accords the Palestinians the right to self-determination and an unprecedented decision-making capacity. This in turn, in combination with effective governance on the part of the Palestinian National Authority (PNA), could set forth a ripple effect of conflict resolution due to the enhanced perception of the peace dividend and therefore an increased motivation for cooperation.

In effect, successful and sustainable peace between the Palestinians and Israelis, given its structural impact on the entire region, is a crucial step to achieving regional strategic security and could act as a catalyst for conflict resolution in other areas.

III. THE DRIVING FORCE: THE PEACE DIVIDEND

The achievement of a genuine peace depends necessarily on the incentives to engage in peace negotiations and the momentum behind these incentives. Whilst these incentives differ from one party to another, there are common benefits for all.

Genuine peace holds the potential to induce a reduction in military spending which would allow for the diversion of national resources towards human development and the diversion of effort towards economic cooperation rather than political confrontation.

Multilateral cooperation and trade liberalization offer obvious aggregate benefits to all parties. Trade liberalization can potentially minimize foreign currency shortages which adversely

affect trade balances and balance of payments. In turn, multilateral initiatives can assist in redefining the Middle East so that it is considered in its entirety and as a cohesive unit. A cohesive unit moreover, that is unattainable if fragmentation through either exogenous or internal political factors persists thus isolating the goal of regional strategic stability and long-term sustainable growth patterns.

Addressing environmental issues and the creation of a common infrastructure would also be more effectively addressed since, as public goods, they have transnational externalities and are based on the precondition of multilateral cooperation. The Middle East suffers particularly from poor water management and the politicization of agricultural problems which coupled with general regional water scarcity and the prevailing distorted distribution³, restricts the capacity to meet the demands of high population growth (average 3%). Claims that water may constitute the next major source of conflict in the area should not be dismissed lightly.

More tangibly, in essence, *all* Middle East economies are predominantly fragile and unsustainable in their current form. Certain characteristics of the region's countries create a need for regional cooperation and economic liberalization as prerequisites to economic growth. These include:

- smallness of states demographically and in terms of market size and purchasing power
- wide regional variations in availability of natural resources (e.g. oil and natural gas)
- huge national income disparities
- the potentially complementary nature of industrial production and of available input (e.g. technology and marketing)
- unique common historical, religious and cultural heritage
- geographical proximity and unity

Overcoming this fragility can encourage significant regional growth. Estimates suggest that within the next 25 years the Middle East and North Africa will constitute 10% of the world economy. Thus, in relative terms, the significance of the region will be 5 times greater than it is today and even more if the geographically limited destinations of exports is rectified (EU and USA) as Table 1.

In addition to economic gains, the most significant "dividend" from peace in the Middle East, will be the human one. Steps towards regional democratization can emerge from the freeing up of economies and the concomitant regime restructuring. The Middle East history of autocratic governments demonstrating limited interest in the democratization of their states can be redressed if the regime does not feel threatened by dissent.

Dissent comes in many forms but more often than not stems primarily from relatively poor living standards and the blatant inequitable distribution of resources. In the past regional governments have aimed to contain such dissent through traditional neo-patriarchal means of

³ This is particularly evident in the case of Israel and Palestine where Palestinian consumption is limited by a quota based on the average consumption rate of two years 1967 and 1968. This quota has not been increased since despite rapid population growth (see table 3).

internal security apparatus. Such methods where ordinary citizens are deprived of some of their basic rights and become virtual prisoners of the state, merely offer a short term containment mechanism for issues that could be more effectively addressed through a genuine commitment to socio-economic development.

One crucial component of any development strategy in the area is the improvement of social indicators such as literacy rates and educational enrollment rates for women. Female literacy and female labor force participation in the Middle East are notoriously low. The UNDP Human Development Report for 1990 demonstrates that Saudi Arabian male literacy is more than double that of women and that women in general are many times more literate in China than in the Middle East.

Female participation rates in the Middle East are highly susceptible to the whims of government policy where religious dictates are often used as a pretext for the sporadic mobilization of their labor in line with the needs of the economic situation at any one particular period of time.

1. Country Specific Benefits

Whilst all countries that are fully integrated into an equitable peace process stand to benefit from the “public” peace dividend there are country specific benefits that are equally important. Countries will be reluctant to engage in multilateral cooperation nor be able to muster internal popular support for their cooperation, unless the costs are minimized whilst the benefits are maximized.

The *Prisoner’s Dilemma* of the Middle East is no less significant than in any other region. Efforts to cooperate will always be curtailed if states pursue private gains and in doing so impose costs on other players regardless of what the latter does and vice versa. The country-specific benefits of regional peace should therefore be considered carefully.

Whilst the following is not a comprehensive list of all regional players, it offers an indication of what those players who are already involved, even in only limited form, can expect to gain.

i. Palestine

Genuine peace for the Palestinians would mean first and foremost, the ending of occupation, the liberation of the people, the establishment of a Palestinian State in accordance with the boundaries defined in UN Security Council Resolutions 242 and 338 and a full economic role in the region. Peace would mean the transfer of full authority to a Palestinian National Authority (PNA) for all sovereign issues, full legitimate and political rights within their territory including full control over borders and security.

Peace would also include as a fundamental prerequisite, the recognition of East Jerusalem as the Palestinian capital, the dismantlement of all Israeli settlements inside Palestinian territory, and a resolution to the refugee problem.

Palestinians believe that this forms the basis of their full and equal participation in the opening up of regional economic relations and regional cooperation - an essential step if the currently fragile economy is to be fortified. Table 2 offers an optimistic picture of the current state of the Palestinian economy since it is based primarily on Israeli sources. In reality both population and unemployment figures are much higher.

Water is a key Palestinian natural resource that is currently controlled entirely by Israel. The distribution of water is also of paramount importance to the Palestinians not only because water is essential for agricultural expansion, but also because water is essential for the survival of the Palestinian people themselves: Gaza water is already seriously contaminated and scarce.

Occupation policies have however dramatically curtailed consumption (see Table 3.) and distribution to the Palestinians and have diverted water sources away from neighboring states. A resolution to the water issue in the Middle East is crucial if future conflict is to be avoided.

Whilst the economy of the West Bank is likely to remain service-oriented, the development of the Palestinian private sector in an encouraging environment could offer positive results. This is particularly the case with tourism which is one of the few industries based on existing natural and cultural resources that is open to development for the Palestinians.

Inevitably, the resolution of regional strategic instability is likely to promote significant private capital inflows particularly from "diaspora" investors -- based on the assumption that such investors will be allowed the possibility to participate in not only Palestinian ventures but also Arab and international projects including Israeli projects.

In a positive policy environment there are good prospects for medium-growth in per capita income in excess of 3% per year.⁴ Without such progress, recession is likely to continue with significant declines in per capita income (up to 20% in a decade)⁵ and all the socio-political consequences that this entails. Some predictions for future trade are represented in table 4.

ii. Israel

For Israel "peace" would strengthen Israel's security and diminish the need for its heavy militarization and massive military expenditure which has only been feasible due to private and public sources of aid. At the same time it would mean the guarantee of an end to the Arab boycott of the Israeli economy thus facilitating the opening up of vast new markets for Israeli produce.

Almost 75% of Israeli GNP is composed of imports and exports which, given the levels of military spending and the need to import capital goods and raw materials, has led to a long-term trade deficit (see Table 5.). Whilst the trends in Israeli exports and imports demonstrate

⁴ Development Brief. No. 32 - The West Bank - March 1994 - "The Future of the West Bank and the Gaza Strip." in World Bank Policy Research Bulletin - Jan-Feb 1994. Vol 5. No. 11.

⁵ Ibid.

the level of development of the economy, (manufactured goods are far in excess of all other export sectors with the exception of diamonds) increasing access to Arab markets would, with some restructuring, offer possibilities for long-term strengthening of the Israeli economy. Moreover, any short-term losses would be compensated through gains in strategic stability that normalization with neighboring Arab states would induce.

Israel's trade potential is substantial if its economy is opened up to neighboring states as table 6 shows.

iii. Jordan

Peace would revert the historical threat to Jordan, in particular from Israeli Likud policies, to transform Jordan into a Palestinian state. Peace would also assist the Jordanian economy which suffers from fundamental weaknesses primarily due to its lack of natural resources. Jordan is obliged, for reasons of survival, to engage in regional economic cooperation and will benefit enormously through the common mobilization of resources such as in tourism and transit (given its strategic central location in the area).

Also, Jordan desperately needs to reduce the percentage of national revenue spent on debt servicing and its heavy reliance on external aid although the World Bank predicts that it is unlikely that Jordan can eliminate its existing debt of US\$7 billion in the short to medium term⁶. Peace for the Jordanians means access to the West Bank and Gaza and Israeli markets and to further regional economic cooperation (see Table 7).

Jordanian strategic security would also be dramatically improved through the resolution of the Palestinian problem given the Jordanian demographic structure. The make-up of Jordan's population includes a disproportionately high number of Palestinian refugees⁷ with strong cultural and financial ties in the West Bank and Gaza Strip. Tension and instability in Palestine is therefore strongly reflected in Jordan just as political economic development in Palestine can boost it.

Prosperity in Palestine could be a major attraction for Jordanian business ventures in the West Bank and Gaza and a potential inflow of Palestinian labor to Jordan if Palestinian economic recession continues. This means that peace for the Palestinians, or for that matter continued political and social unrest, has a direct spin-off effect on Jordan, perhaps more so than any other Arab state.

iv. Egypt

Egypt's most significant benefit would stem from its ability to finally exploit economically the Camp David peace agreement signed with Israel in 1978. Peace will also provide a new legitimacy to the Egyptian regime, both internally and externally thus overcoming the isolation that it has suffered from in the past. Legitimizing the regime internally would

⁶ World Bank Report (October 1994) "Peace and the Jordanian Economy"

⁷ Some 50% of the Jordanian population is composed of Palestinian refugees.

contribute substantially to resolving the current internal instability that is perpetuated through extremist religious movements and which threatens what has historically been one of Egypt's main sources of revenue - tourism.

Interestingly, the Camp David peace agreement is a startling example of how nominal political peace cannot act as a catalyst to regional economic cooperation if it excludes all the main players. Egyptian trade with Israel, apart from oil export, has remained negligible despite this agreement and even joint tourism ventures - possibly one of the most potentially rewarding cooperative initiatives - is still only in the planning stages. In 1992, regional exports of \$304 million, accounted for only 10% of total exports whilst the share of regional imports was less than 2%.

Egypt's trade potential lies in oil which could be exported intra-regionally. The only other large-scale exports would be in textiles (yarns and fabrics), aluminum and rice and cotton. The countries considered as potential destinations are shown in table 8.

v. Syria and Lebanon

Peace for Syria and Lebanon would bring about political credibility as territorial claims are settled and land returned from the occupying Israeli authorities (on the basis of UN Security Resolution 242 and 425). There are also extensive gains to be made through regional economic cooperation (see tables 9&10) and in particular the regional equitable management of public goods such as water and tourism.

Lebanon would be offered the opportunity to reestablish itself as a regional financial, trade and tourist center and center for services. A genuine commitment to peace from all players would also overcome the prevailing lack of conviction that the integration of Israel into the area will not bring considerable dangers. Both Syria and Lebanon, along with other Arab states, still fear that Israel has the capacity and the will to achieve political and economic hegemony which naturally undermines attempts to abandon the trade boycott with Israel.

Perhaps the most significant impediment to encouraging Syrian participation in full regional political and economic cooperation will be the psychological and ideological one that has consistently denied Israel's existence for decades. This stance has been consistently compounded through the Israeli refusal to withdraw from Syrian and Lebanese lands.

vi. The GCC⁸

Recent trends in oil prices mean that the Gulf should be wary of continued dependence on inexhaustible supplies of income from oil. Oil remains the single most important commodity in the area and indeed the world market seems more receptive to oil than any other

⁸ The GCC (Cooperation Council of the Arab Gulf States) comprises Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE and Oman

commodity even though its price is subject to speculation. However, the optimism of oil wealth with regards to its translation into sustainable economic growth is fading.

Some economic and social development has emerged from this wealth but oil-based development has forward and backward linkages. Excessive reliance on oil revenues for foreign exchange stymie profound and extensive industrialization. Oil revenues are not able to create the kind of diversified economies that regional economic cooperation could encourage.

Moreover, oil wealth has been systematically diverted from human development, which has fundamentally flawed GCC development strategies and led to increasing internal dissent and is generally a worrisome burden for all GCC economic policy planners. The 1990 UNDP Human Development Report shows clearly how GCC countries fall in ranking more than any other Middle Eastern nation, when economic indicators are translated into human development indicators such as literacy, life expectancy and female labor force participation.

The reinvestment of oil revenues is the best guarantee for benefiting from regional economies. Investment in neighboring countries can offer substantial long-term gains and investing in “peace” can ensure that disturbances and shocks in neighboring poor countries (e.g. Egypt, Sudan Yemen, Jordan, Palestine, Syria, Lebanon, Morocco etc.) do not threaten the GCC as is currently the case. Peace would also enhance the current investment climate which may then act as a catalyst for human resource development in line with international trends (e.g. in the field of information technology).

Table 11 shows how just one GCC country, Saudi Arabia, could reorient its trade structure in line with increased economic liberalization.

IV. THE STATE OF THE CURRENT PEACE PROCESS

Having examined the kind of peace that can most effectively serve as a catalyst for increased regional cooperation and the perceived incentives that would induce this cooperation, the current Palestinian/Israeli peace process should be considered.

The peace process between the Palestinians and the Israelis that was initiated in Madrid in 1991 and then heralded in Oslo in 1993 is currently stalled and its potential success threatened. This is due to a variety of reasons related to the nature of the peace process that is being implemented which can be looked at in terms of the main players involved in this process. These players have been identified as the Palestine Liberation Organization (PLO), the Government of Israel, the United States and the European Union. Whilst the role of others is also significant e.g. the former Soviet-Union, these four are considered as paramount from a Palestinian perspective.

1. The Palestine Liberation Organization

The Palestine Liberation Organization's role in the structuring of the peace process is dependent on the extent to which the Palestinian National Authority (PNA) is politically and economically empowered.

This empowerment cannot be achieved as long as Israel insists on maintaining full authority in key areas such as the following: land use planning; access to natural resources; access to international markets; international banking relations; facilitating the access of Palestinian expatriate, Arab and foreign investors to the area; and trade between Gaza and the West Bank. Israel's determination in this matter is apparent in the proposed arrangements for the interim period which offer only limited authority to the Palestinians and do not guarantee the territorial, demographic and economic integrity of the Palestinians.

Israeli practices also insist on maintaining full access to Palestinian resources for Israeli purposes such as settlement activities and the use of Palestinian water and other natural resources.

Limited or non-existent executive, legislative and juridical power limits the capacity of the PNA to guarantee increased accountability which then stalls the disbursement of pledged aid and leads to "peace threatening" internal dissent and violence as promises for socio-economic improvements for the Palestinians are not met.

There is a huge contradiction when calling for increased Palestinian accountability if it is defined in what are generally universally accepted World Bank terms:

"Accountability is.....holding governments responsible for their actions. At the political level it means making rulers accountable to the ruled, typically through the contestability of political power."⁹

With only limited political and socio-economic autonomy, the PNA cannot offer full rights to the Palestinian people - the potential electorate that would support accountability and transparency. The PNA cannot even ensure political and economic freedom for the Palestinians under its limited jurisdiction in Gaza and Jericho and thus maintains a fragile base for nation building.

Until the PNA is empowered with full sovereign power over its people and thus the capacity to establish the necessary democratic infrastructure and tools (e.g. elections), there is little hope of cultivating "accountability" even in its most limited form. As the World Bank acknowledges;

"Transparency requires supportive institutions, political commitment, pressure from civil society, and free media....[and] therefore, is a necessary but complex process that will take time in many countries."¹⁰

⁹ (Development in Practice - Governance - The World Bank's Experience, World Bank Publication 1994: p31)

¹⁰ Ibid.

Given the very particular circumstances of the PNA, the challenge will surely be even greater. The impact of this unequal footing on which the Palestinian participation in the peace process is defined consolidates Israel's hegemonic status and gives the Palestinians no means of facilitating increased participation from other regional players.

2. Israel

Israel's reluctance to commit to comprehensive peace making has a direct effect on the outcome of the political process. Israel's refusal to make such a commitment is based on the assumption that Israel will not benefit dramatically from integration with countries that are considered developing or under-developed.

Israel has a tendency to see itself as a loser in the process since it will have to relinquish land for what it sees as limited economic gains, overlooking the long-term benefits that it will enjoy through improved strategic security. There is an overt preference on the part of the Israeli government to open up markets to the EU and the US since its economy is structured in this way. This is publicly acknowledged:

“In the immediate period of the plan, the potential for foreign trade ties with Middle Eastern countries is very limited, because of major differences between their economies and the trade structures of the countries.”¹¹

Many studies have shown that Israel sees the EU as the main focus for economic integration rather than Arab states.¹² Israel thus has a strong tendency to perceive cooperation as a zero-sum game from which Israel emerges as the loser. And yet, intra-regional trade that includes both Israel, neighboring states, the Gulf States, and eventually Iraq and Iran would create regional economic benefits and in turn regional strategic stability. The addition of Turkey to this list would create a solid trade bloc centered round Egypt, Israel and Turkey and could demonstrate considerable complementarity (see table 6).

Import surplus in Israel constitutes approximately 25% of GNP whilst the deficit is covered through numerous support mechanisms not least of which is funding from the US government. US civil and military aid in the shape of loans and subsidies amounts to some \$3000 million a year¹³ excluding subsidies and loans from sources and guarantees other than the USA. Moreover, besides the marginal trade with Egypt, there are currently no trade relations with the rest of the region. Whether Israel is prepared to make these changes is not yet clear.

The time that elapsed since the signing of the Declaration of Principles however, has served to demonstrate with no uncertain clarity the perception of Israel with regards to the Palestinians. Israeli insistence on isolating the Palestinians from the potential gains of increased economic

¹¹ (Ministry of Economy and Planning - National and Economic Planning Authority - Multi Year Plan for the Israeli Economy 1995-2000, Summary, Sept. 1994:p33)

¹² (p:7 REDWG - see above)

¹³ Halbach.A. et al. (1995) Regional Economic Development in the Middle East: Potential intra-regional trade in goods and services against the backdrop of a peace settlement.” IFO Research Reports Department for Development and Transformation Studies (No.84)

cooperation are manifest in several ways. In particular, their reluctance to implement a free trade regime and the continued desire to tap into the Palestinian economy as and when needed whilst shutting off the basic supply at whim.

The continued suffocation of the Palestinian economy through border closures, sieges and blockades and the continued expropriation of land, indicate that Israel is far from willing to consider the Palestinians as equal partners. Ongoing occupation and the closure of the economic center for Palestinians, Jerusalem, does little to address the long-standing distortion of distribution of economic resources.

Table 12 shows the effects of sporadic and intermittent Palestinian labour absorption into the Israeli economy.

Israel therefore prefers to exploit its position as regional hegemon to negotiate bilateral deals with each regional neighbor separately. Each negotiation package is then carefully based on specific Israeli interests be they political, economic or territorial, in the area. In the long-run this undermines the potential for multilateral dialogue since by definition, internal arrangements are created through bilateral agreements that exclude the interests of other regional players.

3. United States Foreign Policy in the Middle East

Given that Israel's economic strength in the past has been primarily due to US support, the role of this only remaining superpower is a key factor in the structure of peace that emerges from the current process. The US policy in the Middle East has long been characterized by a distorted system of priorities that focuses on oil, fortifying Israel's regional strength both economically and politically, and maintaining isolation policies.

As the main sponsor of the peace process, it is thus difficult to reconcile US foreign policy in the Middle East with the concept of peace as a prerequisite to equitably structured regional cooperation. Indeed, the history of US policy in the area demonstrates little that is compatible with the prerequisite multilateral framework that genuine peace necessitates.

The current US veto of UN Security Council Resolution to prohibit further Israeli settlement activity is just one more striking example of US foreign policy that is based on maintaining control over pockets of the Middle East. This policy compounds regional economic fragmentation and retards the long-term possibilities for Israeli regional cooperation since it is provocative and antagonistic to the Palestinians and other Arab neighbors.

US policy in the Middle East is effectively based on a "double-standard" where efforts are being made to normalize relations between Israel and all Arab states whilst the full regional integration of all Middle Eastern countries (e.g. the GCC, Iraq and Iran) is actively discouraged. At the same time, despite increasing international concern with the relationship between peace and the prospects for democracy, the US places little emphasis on this issue.

Thus, consistent myopia with regards to the value of a bilateral piece-meal process allows for enthusiastic support for the existing peace process regardless of its fragility and of its vulnerability. This almost surreal tragedy is epitomized in the words of Lee H. Hamilton, a US Congressman interviewed by *The International Economy* (TIE):

“Progress so far has been substantial: Palestinians are now governing their own affairs; security is improving in Israel and the territories; Jordan and Israel have achieved a remarkable breakthrough; and Syria and Israel seem headed for serious bargaining..... There are other sources [than the Arab-Israeli conflict] of instability. Iran and Iraq pose the greatest threats. Their aggressive practices and radical ideologies place them at odds with Western interests in the region. Isolating these regimes should be a top Western priority.”¹⁴

This US stance that desires to maintain oil reserves in the area whilst at the same time ensuring Israel’s hegemonic strength and undermining internal alliances e.g. between rich Gulf countries and poor densely populated countries such as Egypt is a very real impediment to achieving the necessary political framework for achieving genuine peace.

Similar contradictions are seen in the continued isolation of Iraq and Iran, despite European and Russian attempts to do otherwise. Isolation policies are rarely prudent and in this case given the wealth of human resources, the size of the populations and the historical politico-economic and cultural significance of these countries, in this case are completely unrealistic.

The US is particularly reluctant to acknowledge the political fragility of the current “piece-meal” process which results in continued social unrest, when discussing the Palestinians. As Edward Said clearly points out:

“Still the US government thinks that the lot of the Palestinians is “improving” under such conditions. When President Clinton was in the Middle East in November he said nothing about the suffering of Palestinians and indeed seemed obsessed, Israeli style, with “terrorism,” as if everyone who opposed his peace was only violent, fundamentalist. *He seemed totally unwilling to comprehend that for all its unsavory qualities, Hamas (formerly encouraged by Israel to undercut the PLO during the Intifada) is a protest movement using terrorism to express the justifiable frustration and anger of almost the entire Palestinian population.* [emphasis added]”¹⁵

Frustration and anger moreover, is not set to disappear if the currently stalled process is not accelerated such that it can offer a tangible “peace dividend” to all Palestinians.

4. European Union Foreign Policy in the Middle East

Whilst the EU is formally pursuing the goal of increased regional cooperation and economic integration, European policy in the Middle East is geared towards Mediterranean cooperation rather than the full geo-political integration of all Middle Eastern nations. Whilst the spin-off effects of EU joint-venture and cooperation initiatives may induce some amount of progress,

¹⁴ Hamilton. L (September/October 1994:18) *The International Economy* (TIE), “Is the West Too Complacent About the Middle East?”

¹⁵ Said. E “The Palestine Case” *Washington Post* 25/12/94

EU apathy with regards to undoing the regional political distortions is not encouraging to long-term regional development.

The interests of the Europeans in the Middle East, and in particular, in Palestine, be they economic or cultural, have been very strong in the past. Indeed, the political history of the Middle East in general is shrouded in a legacy of European intervention and colonialism. Therefore, whilst there is little doubt that for effective implementation of measures aimed at resolving the politico-economic problems of the region, the key role must be played by the US, it is critical that the European powers also play a part.

Since their formal departure as colonial powers, both Britain and France in conjunction with other European states and new European agencies have continued to broaden their interest and active role in Middle East affairs. Indeed, the extension of economic ties coupled with the fortification of political interests has served to raise the European stake in the nature of regional peacemaking and has resulted in their insistence on being integrated into the peace process.

Such retained interests in the area are demonstrated by recent pledges of aid assistance to the Palestinians that have had a distinctly European rather than American character. However, aid assistance to the Middle East from Europe has long since been a means of ensuring political stability in line with strategic interests rather than any desire to induce regional strategic security. Support for the recent role of the EU amongst Palestinians, on the basis of European acceptance of the Palestinian argument that the West Bank and Gaza should be dealt with as a separate economic entity, should not ignore the fact that Europe is not preaching multilateral Middle Eastern integration but rather a Mediterranean one.

EU policy explicitly focuses on allowing:

“mutually beneficial economic development in the Mediterranean basin, [and] the promotion of measures to create modern, open economies in the Mediterranean Non-Member Countries (MNCs = Algeria, Cyprus, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey - autonomous arrangement apply to relations with the Occupied Territories).”¹⁶

This policy excludes integral members of the Middle East whilst at the same time pursuing the normalization of relations with Israel oblivious to its continued status as an occupying power and the subsequent imbalances that this bias of power creates.

V. BILATERAL COOPERATION VS. MULTILATERAL COOPERATION

An analysis of the current peace process therefore reveals that its weaknesses lie primarily in the asymmetry of the political status of the players involved, not only on entering

¹⁶ EU Support for Joint Ventures and Investment in the Mediterranean - The EU and its Mediterranean Neighbors - 1994:3

negotiations but also as a result of the subsequent agreements signed. In addition, external support for the process is based on the dictates of the external foreign policy interests rather than on a commitment to achieving structural regional changes conducive to further political and economic cooperation.

More specifically, the current peace process is based on a bilateral negotiation framework and bilateral agreements rather than a multilateral dialogue and multilateral agreements. Bilateral agreements that seek to resolve political conflict are based on the misconception that the piecemeal resolution of political conflicts can form the basis for sound regional economic cooperative agreements. The extent to which Israeli occupation of Palestinian, Syrian, and Lebanese land impacts on the political economy of the Middle East as a whole - reaching as far as North Africa - makes it in truth a regional politico-economic issue rather than a bilateral one.

Bilateral political agreements that are accompanied by bilateral economic arrangements may limit future multilateral economic cooperation. This is clearly the case with aspects of the Palestinian-Israeli peace process where economic agreements signed between the PLO and the Government of Israel offer Israel superior leverage for future cooperation. In exchange for withdrawal from occupied lands, Israel demands economic concessions from all parties. This is also evident in trade and general economic relations aimed at settling water disputes and access to economic resources. For natural resources such as the Dead Sea and the potential that this area embodies for tourism development, Israel seeks joint projects with its neighbors. Negotiating bilaterally, Israel effectively creates agreements that run counterproductive to a Middle East vision based on *regional* cooperation and accord Israel the status of regional political hegemon.

Future possibilities of regional cooperation are questionable if they are dependent on the consideration of Israel's interests as the focal point of negotiation. Fragmented regional cooperative dialogue allows Israel to "divide and conquer" indiscriminately using its relations with each partner as an effective mechanism to influence their cooperative behavior. In this way, the whole peace process is subject to Israel's regional vision and allows Israel, and only Israel, to maximize its benefits from the process.

Israeli hegemonic status compounds the problem of encouraging multilateral cooperation that has been historically hindered in the Middle East for a variety of political and economic reasons. Intra-regional trade has been stymied in the past as is evident by the relatively retarded Middle East growth in comparison to similarly characterized economic regions in the world. Intra-regional trade accounts for a mere 2-6% of total trade and intra-regional export for only 10-15%.

History has proven on many occasions that prospects for regional economic integration cannot be negotiated out of *bilateral* conflict resolution if the conflict is *multilateral* in nature. The experiences of Europe whereby genuine economic integration only emerged post World-War II, when all regional conflict was resolved, is an example.

Multilateral cooperation would be more effectively induced if the Palestinian-Israeli problem, as an Arab-Israeli problem, was resolved through political negotiation that includes *all* those parties who seek to be included in the subsequent economic restructuring process. Without such multilateral cooperation, a new vision for the Middle East, based on democratic regimes, cooperation and mutual recognition of rights free from distortionary interference, will possibly remain unattained.

VI. CONCLUSION

In conclusion therefore, it is clear that a new strategic vision for the Middle East is a prerequisite to the undoing of previous political distortions including strategic alliances and fragmentations such that the potential economic capacity of the region can be maximized.

This new “vision”, should be based on the common reconceptualisation of the area as a distinct economic bloc with distinct political problems. These problems must be addressed in accordance with the very unique circumstances of the area and the very specific problems that occupation creates. Ultimately these problems may be more easily resolved on a multilateral basis rather than a bilateral one.

Israel and the USA play a significant role in impeding a multilateral peace process structure for the Middle East. This stems mainly from the fact that they pursue peace only with those states that can meet their strategic interests. Whilst this may be the case for all Middle East peace players, the political and economic power and the superior leverage that these two embody accords them the ability to formulate fragmented internal structures.

The PNA’s current form impedes multilateral peace since it is not sufficiently empowered to represent the Palestinians as full equal partners in any political process. As long as this asymmetrical relation and the general lack of reciprocity remains between the Palestinians and Israel, prospects for economic development and cooperation decline considerably.

The peace process in its current fragmented “bilateral” form is fragile and may not be capable of leading to full, just and comprehensive regional peace. Until external strategic alliances are removed from the area, the chances of a regional comprehensive and sustainable peace based on multilateral negotiations for multilateral benefits, are limited. Continued fragmented negotiation will perpetuate the friction of distorted internal relations and may even, in the worst case scenario, collapse all peace initiatives.

Contradictory strategic interests of the past must be overcome in order to ensure that full, just and equitable regional integration on all levels can be achieved. Regional economic co-operation is the major key to fostering long-lasting peace in the area. Economic integration is a sure means of avoiding armed conflict and encouraging negotiation as the only means of conflict resolution. And yet regional economic integration is an impossibility without effective institutionalization politically, economically and socially.

Facing this dilemma, the peace process players have two options. They can either continue to add quantitative value by including each regional player on a graduated basis which will effectively mean no real change to the status quo. Whilst this may potentially end conflict in the short to medium term, such measures are unlikely to encourage the achievement of a new stage for the region in terms of long term strategic stability.

Alternatively, a qualitative change can be targeted that can open up all avenues for cooperation and development. A qualitatively improved process that is not based on the sporadic bilateral signing of peace deals between Israel and individual partners, but that has a regional focus, can ensure that all Middle Eastern players benefit socially, politically and economically from the peace dividend.

Encouraging a multilateral negotiating forum is the first step towards releasing the Middle East from its peace dilemma and placing it on a path towards long-term sustainable economic growth, strategic security and a genuine “dividend” from a genuine peace.

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Table 1. Regional and International Survey of Middle Eastern Foreign Trade Links

Country	Total Exports					Total Imports				
	Mill. \$	% to EC	% to USA	% to Region	% to Rest of World	Mill. \$	% from EC	% from USA	% from Region	% from Rest of World
Israel '92	12444	34.3	30.2	0.0	35.5	18557	50.2	17.2	0.0	32.6
Syria '92	1281 ²	62.8	0.8	-	-	1445 ²	36.2	6.5	-	-
Jordan '92	1219	3.0	-	15.3	-	3339	28.6	10.8	5.8	54.8
Egypt 91/2	3636	28.3 ¹	7.6	10.1	54.0	10040	27.5 ¹	16.1	3.2	53.2
S.A '89	27741	-	-	-	-	21153	30.6	18.2	1.9	49.3
Turkey '91	13594	51.8	6.7	6.8	34.7	21047	43.8	10.7	4.2	41.3

¹ Western Europe;- ² Recalculated to average value between official rate (Syr. £11.25 per US\$) and the exchange rate in neighboring countries (Syr. £43 per US\$); the average value is Syr £27.1 per US\$.

Source: IMF Recent Economic Development: Jordan, Turkey, Saudi Arabia, Syria and Egypt. February - October 1993; own calculations.

Table 2. West Bank and Gaza Strip: Accounting Macroeconomic Framework - Baseline Scenario

	1991	1992	1993	1994	1995
Population (in thousands)	1682.2	1767.5	1833.3	1906.6	1982.9
As a percentage change	5.2	5.1	3.7	4.0	4.0
Labor force (in thousands) 1/	355.1	379.1	384.7	400.1	416.1
As a percentage change	1.4	6.8	1.5	4.0	4.0
Labor force (in thousands) 2/	312.1	333.4	339.0	352.6	366.7
As a percentage change	1.4	6.8	1.7	4.0	4.0
Employed persons (in thousands)	287.4	319.3	315.0	302.0	283.3
As a percentage change	-3.1	11.1	-1.3	-4.1	-6.2
In Israel (in thousands) 3/	98.0	116.0	83.0	53.0	25.0
As a percentage change	-9.3	18.4	-28.4	-36.1	-52.8
In WBGS (in thousands) 4/	189.4	203.3	232.0	249.0	258.3
As a percentage change	0.5	7.3	14.1	3.6	3.8
Unemployment rate (in percent) 5/	19.1	15.8	18.1	24.5	31.9
Nominal GDP per capita (US\$)	1285	1543	1407	1513	1677
As a percentage change	-8.5	20.1	-8.9	7.6	10.8

Source: IMF Mission and PECDAR (Palestinian Economic Council for Development and Reconstruction) staff estimates 21/04/95

Table 3. Water Use 1990 (million cubic meter)

	West Bank	Gaza	Total PT	Israel	Jordan
Total Water*	118	97	215	1,890	879
Agriculture	84	68	152	1,300	657
Domestic	29	27	56	480	179
Industry	5	2	7	110	43
Population	937	730	1666	4,690	3,453
General Use (m ³ /capita/year)	126	133	129	403	255
Domestic Use (m ³ /capita/year)	31	37	34	102	52
Domestic Use ltr/capita/day	85	101	93	280	142

Source: World Bank Report (1993) "Developing the Occupied Territories - An Investment in Peace" Vol. 5 Infrastructure

Table 4. Predicted Shares of Occupied Territory Trade Under Alternative Assumptions

Partner	Sharing Border & "Language" and FTA with Israel		Sharing Only Common Border with Israel	
	Import Share (%)	Export Share (%)	Import Share (%)	Export Share (%)
Israel	36.2	20.2	2.3	1.5
Egypt	4.5	6.8	4.5	6.3
Jordan	2.2	3.9	5.8	6.4
Other Arab	10.4	28.8	18.3	36.3
Europe	16.3	15.6	26.0	18.3
North America	14.9	6.2	20.8	9.9
Other	15.5	18.5	22.3	21.3
TOTAL	100.0	100.0	100.0	100.0

Source: World Bank Report (1993) "Developing the Occupied Territories - An Investment In Peace" Vol. 2 The Economy

Table 5. Trends of Israeli Foreign Trade* (\$m)

	1988	1989	1990	1991	1992	1993
Merchandise exports fob	9,445.4	10,669.3	11,603.1	11,219.3	12,479.1	14,083.0
Merchandise imports cif**	-12,287.2	-13,030.1	-15,107.3	-16,690.7	-18,564.2	-20,244.6
Trade Balance	-2,841.8	-2,360.8	-3,504.2	-5,471.4	-6,085.1	-6,161.6

* Excluding trade with the Occupied Territories ** Excluding military goods

Source: Central Bureau of Statistics, *Monthly Bulletin of Statistics*

Table 6. Rough Survey of Israel's Trade Redirection Potential

Product Group	Extra-Regional Export in 1992 (million US\$)	Possible Intra-Regional Destination
001-014 Live Animals, meat	44.3	Lebanon, Jordan, Egypt
002-025 Milk, butter, cheese, etc.	1.3.3	S. Arabia, Egypt
054-058 Fruit and vegetables	560.6	S. Arabia, Egypt
071-074 Coffee, chocolate	34.2	S. Arabia, Egypt
292 Vegetable raw materials	199.3	S. Arabia, Turkey
522-23 Anorg. chemicals	252.3	Egypt, S. Arabia Turkey et alia
541-54 Medical products etc.	162.4	all countries in the region
562 Fertilizers, processed	291.7	Turkey, S. Arabia, Syria
582-85 Polymerization products	217.9	Turkey, Egypt, Syria
591-98 Pesticides, etc.	296.1	all countries
621-28 Rubber goods	94.5	S. Arabia, Egypt
634-42 Wooden goods, paper	56.7	Syria, Lebanon, Jordan, Egypt
691-96 Metal goods, tools	201.7	all countries
696-99 household and metal goods	115.0	all countries
711-14 Turbines and motors	77.1	Syria, Egypt
716-18 Generators	25.2	all countries
721-22 Agric. machinery, tractors	31.6	all countries
726 Printing Machines	304.0	all countries
727-28 Special machines (food)	424.2	all countries
736-37 Metal working machines	33.0	all countries exclu. Turkey
741 Heating and cold storage	85.2	all countries
742-43 Pumps and centrifuges	46.7	all countries
744-49 Non-electrical machines	323.9	all countries
751-59 Office machines, data-processing	435.1	all countries
761-64 Consumer electronics, telecommunications	694.1	all countries
771-78 Electrical machines	743.0	all countries
791-93 Wagons, aircraft, ships	308.1	S. Arabia, Turkey, Jordan
821 Furniture	44.5	all countries excl. Egypt, Turkey
842-48 Clothing	592.8	all countries excl. Turkey, Syria
851 Shoes	22.4	S. Arabia
871-74 Optical, medical measuring instruments	267.5	all countries
881-84 Photo, optics, films	72.2	all countries
893-95 Synthetic arts, toys	263.9	all countries
898-99 Musical instruments, various	22.0	all countries
TOTAL	7356.5	

Source: UNCTAD Comtrade Data Bank, Geneva

Table 7. Rough Survey of Jordan's Trade Redirection Potential

Product Group	Extra-Regional Exports 1992 in million US\$	Possible Intra-Regional Destination
022-25 Milk, butter, cheese etc.	21.0	S. Arabia, Egypt
541-54 Cosmetics, medical products	105.7	All countries
562 Fertilizers (processed)	101.1	Turkey, S. Arabia, Syria et alia
TOTAL	227.7	

Source: UNCTAD Comtrade Data Bank, Geneva

Table 8. Rough Survey of Egypt's Trade Redirection Potential

Product Group	Extra-Regional Exports 1992 in million \$	Possible Intra-Regional Destination
041-48 Cereals	30.8	All countries
263 Cotton	50.2	Turkey, Israel
322-23 Coal, briquettes	8.7	Turkey
333-41 Crude oil and derivatives natural gas	1041.0	Turkey, Israel, Jordan
611-13 Leather and leather goods	8.3	Israel
651-58 Textile yarns and fabrics	345.1	S. Arabia, Israel, Syria
682-89 NF metals (aluminum)	184.1	Turkey, S.Arabia, Israel
821 Furniture	19.6	All countries excl. Israel and Turkey
TOTAL	1687.8	excl. oil: 646.8

Table 9. Rough Survey of Syria's Trade Redirection Potential

Product Group	Extra-Regional Exports 1990 in million US\$	Possible Intra-Regional Destination
001-014 Live Animals, meat	46.0	Lebanon, Jordan, Egypt
071-074 Chocolate	21.3	S.Arabia
263 Cotton	146.9	Israel, Turkey
333-41 Crude Oil	1666.6	Turkey, Israel, Jordan
541-54 Cosmetics	533.6	S. Arabia, Israel
651-58 Textile yarns and fabrics	517.8	S. Arabia
842-48 Clothing	296.8	All countries
TOTAL	3229.0	(excl: crude oil: 1562.4)

Source: UNCTAD Comtrade Data Bank, Geneva

Table 10. Rough Survey of Lebanon's Trade Redirection Potential

Product Group	Extra-Regional Exports 1990 in million US\$	Possible Intra-Regional Destination
211 Skins and hides	18.2	Turkey
TOTAL	18.2	

Source: UNCTAD Comtrade Data Bank, Geneva

Table 11. Rough Survey of Saudi Arabia Trade Redirection Potential

Product Group	Extra-Regional Exports 1990 in million US\$	Possible Intra-Regional Destination
041-48 Cereals	115.6	All countries
211 Skins and hides	17.8	Turkey
274 Sulphur	56.0	Israel, Egypt, Turkey
281-82 Iron ore, scrap	17.0	Turkey, Egypt
333-41 Oil, natural gas	(26475.9)	Turkey, Israel, Jordan
511-16 Hydrocarbons	1084.8	Israel, Turkey
582-85 Polymerization	701.5	Turkey, Egypt, Syria
611-13 Leather and leather goods	4.0	Israel
634-42 Wooden articles, paper	36.9	Syria, Lebanon, Jordan, Egypt
711-14 Turbines and motors	51.2	Syria, Egypt
TOTAL	18.2	(excl. oil and natural gas)

Source: UNCTAD Comtrade Data Bank, Geneva

Table 12. Growth in GNP Per Capita Under Alternative Scenarios (in percent per annum)

	Av. Annual Growth in Per Capita GNP, yrs 0-5	Av. Annual Growth in Per Capita GNP yrs 6-10	Av. Annual Growth in Per Capita GNP yrs 11-15	Real Per Capita GNP after 10 yrs (1991:US\$1715)
<i>Smooth Labor Cut-Off Scenarios</i>				
Good policy, medium capital	4.0%	3.1%	3.4%	2436
Bad policy, faltering capital	1.6%	-1.0%	-0.9%	1768
Bad policy, low capital	-2.4%	0.1%	-0.3%	1523
<i>Abrupt Labor Cut-Off Scenarios</i>				
Good policy, medium capital	2.4%	3.8%	3.6%	2331
Bad policy, faltering capital	0.4%	-0.3%	-0.8%	1718
Bad policy, low capital	-3.0%	-0.1%	-1.1%	1462

Source: World Bank Report "Developing the Occupied Territories - An Investment in Peace" (1993) Vol. 2 - The Economy.

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