

The Arab East in the Era of Globalization

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Abstract

Although analyzes centered on the subject of globalization have long been a subject, the topic still has a growing interest. The aim of this paper is to analyze the impact of globalization on the Arab East, an area treated marginally in the literature. The set of economic, first of all, but also cultural, religious and political elements, distinguishes this region from the rest of the world. This updated economic outlook, however, can very easily highlight the fact that the East is lagging behind: Arab states are often in conflict and social disorder, civil society structures are largely lacking, political instability is evident in many Arab states. As a result of these deficiencies, the economy of the troubled states remains behind. In other words, economic modernization did not take place in the East as much as in the West.

Key words: globalization, Arab East, Arab economy, Middle East economy, the West and the East
J.E.L. classification: A10, B10, F54, N40, Z1

1. Introduction

Globalization makes intercultural competences mandatory nowadays for human beings. It is interesting to watch the way East and the West relate in this context, but also to research the particularities that emerge in the Arab East due to globalization. An economic analysis of 1000 years ago would suggest that the Middle East economy is at least as well developed as the one in West, but nowadays the situations looks different. According to the 2010 edition of the Longman Exams Dictionary, globalization is defined as "the process of making something such as a business operate in a lot of different countries all around the world, or the result of this/ Globalization of business makes intercultural competencies mandatory." (Longman Exams Dictionary)

Since intercultural competences have become a 21st century imperative, it is relevant to adopt more extensive economic analyzes. By addressing the subject of globalization, references to the East are in minority compared to Western studies. In this context, a presentation of the particularities of the East in the age of globalization is all the more relevant as it comes to completing the intercultural competencies of the reader.

2. Theoretical background

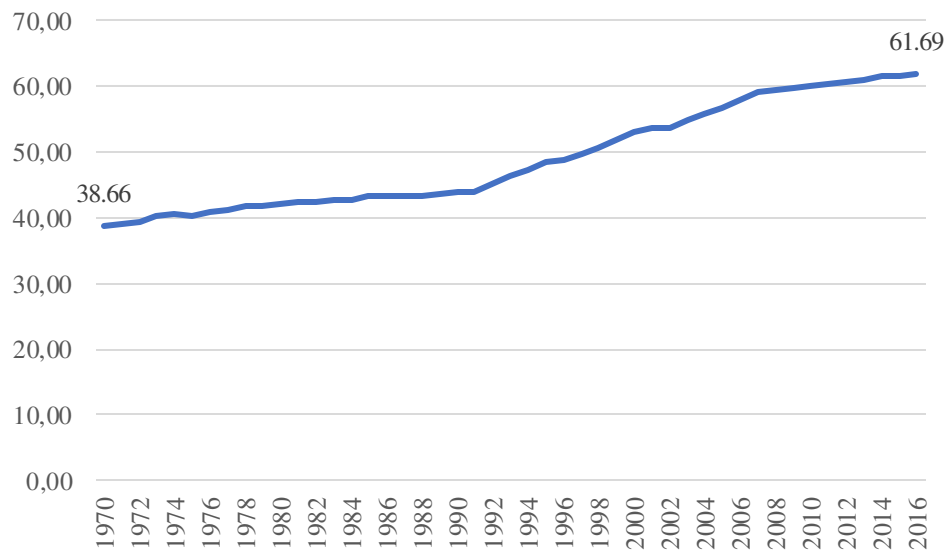
In order to capture a quantitative measure of globalization, Professor Ilie Rotariu mentions the international trade of goods. In the same context, he points out the increase in direct capital investments, which happened after the First World War and continued after the World War II, leading to economic and scientific cooperation between states. (Rotariu, 2004, p. 78)

The means by which nations are and becomes more interconnected are trade, investment and the flow of technology that cross-national borders. The political and social activities are not negligible, which, according to professor Gilpin, have a global dimension, the interactions between states and societies being more intense. The author also points out that due to the high degree of integration, "the nation-state has become anachronistic and is retreating." (Gilpin, 2004, p. 28)

So "globalization comprises a set of linked, interacting regions, not an Orwellian world of competing blocks. It is a world in which each region is open to ideas, goods, capital and people."(World Commission, p. 74). This description captures the openness of globalization, to a great extent already applied though with major limits in some regions of the world. The continuous flow of capital, goods and ideas between regions around the world places in the center the man, either as receiver/transmitter (of ideas, goods, capital) or traveler able to work or relocate elsewhere in the world.

Over time, there has been a need to provide a concrete measure of the degree of integration of a state into globalization, which is why today we can have an overview of the penetration of the globalization process on the globe, even at state level. The KOF (Dreher, 2006) index of globalization takes into account three dimensions of it: economic, social and political, but also considers other data such as trade and information flows and restrictions, personal contact data and cultural approaches, on a panel of about 207 countries from 1970 until in 2013, according to the latest views. An overview, based on the results of the 1970s research carried out by the KOF Swiss Economic Institute, shows a progressive integration worldwide with steady growth rates ranging from 0.33 to 3.24 (with the exception of 1975, 1987, 2008 and 2011 when the growth was slightly negative or tended to 0). In the figure below is shown a progressive growth of KOF Globalization Index from 38.66 in 1970 to 61.69 in 2016, so we can stand that globalization is progressing. Considering the premise of the growth constant for almost a centenary, we can assert that globalization is an independent variable, with little or zero influence from other economic, social or political variables.

Figure no. 1: KOF Globalization Index, rounded, global outlook



Source: adapted after Gygli, Savina, Florian Haelg, Niklas Potrafke and Jan-Egbert Sturm (2019): The KOF Globalisation Index – Revisited, Review of International Organizations, <https://doi.org/10.1007/s11558-019-09344-2>, accessed 01.05.2019

3. Research methodology

The research methodology used to analyze the effects of globalization in the Arab world is indirect research, based on the investigation of secondary data. In this regard, we investigated specialized literature and consulted international databases. Research is descriptive, observational and transversal, as it analyzes the effects of the phenomenon of globalization in the Arab East in the present. The research method used is of a qualitative nature, helpful in exploring information about globalization in the Arab world.

4. The Arab East in the World: From Openness to Conservatism

The most frequently discussed topic is the adoption of Western ideas in the East; practically, Western specialists dealing with the study of the material or spiritual Arab culture describe this phenomenon as one meant to ensure the global integration of the Arabs. On a large scale, the European and American impact on the Arab region, especially during the French-British colonization, is being studied. The Arab world seems rather closed in its own sphere than open to the integration of Western values. Apparently, two parallel worlds are imaginatively created. But looking historically at the interpenetration between the Arab East and other regions of the world, a particularly important aspect must be emphasized: with the advent of Islam, the Arabs managed to instill the religious doctrine into a vast mass, spread even today across the globe, including in the West. It is worth mentioning that Muslims, regardless of the territory in which they live, still adhere to the moral norms established by Muhammad in the 600s.

On the other hand, irrespective of the rigidities that the Arabs seem to have, they live and experience in our times similar activities with the people living in other regions of the world, because the information is flowing more and more unbounded. In a posture delivered in 2012 to the book written by Albert Hourani, states that in the case of trad Professor Malise Ruthven speaks of "the catalyst effect of satellites and social networks" (Hourani, pp. 408-410), starting with the establishment of the television station al-Jazeera with satellite transmission, in Qatar (1996). This unprecedented channel approached taboo subjects and put ministers face to face with the people who could telephone over televised debates, recording an audience of over 40 million viewers. Since 1998, Qatar has completely eliminated the censorship system of the media, television and radio. In 2012, the author confirms the existence of over 30 satellite TV channels broadcast in the Arab world. As far as social networks are concerned, Paul Mason emphasizes a substantial increase in the use of the Internet during the Arab Spring, from 33% to 48%, as well as social networks (the Arabic version of Facebook was launched in 2009, and although 56 million users are Arabic speakers - about 16% of the global population - they use the English version) (Mason, p. 135).

The economy of many Arab states remained behind. A possible cause for this is Professor Kuran's finding: "The Middle East has remained behind the West because it has been delayed to adopt key institutions of modern economics" (Kuran, 2010, p.5.). He refers at regulations, laws and organizations that could allow economic activities in order to bring profits for the owners. The professor continues his argumentation in the book *The Long Divergence: How Islamic Law Held Back the Middle East*, where he points out that in the case of trade and finance, two spheres in which the Middle East is even nowadays, Shari'ah is the central factor of the gap. Contracts between people were framed in Islamic templates and applied through Islamic courts; most of the processes where at least one Muslim was involved were judged by Muslim judges, according to Islamic legal principles; the properties were also divided according to the Islamic law, and the services provided to the inhabitants of the major cities were provided by Islamic trusts and supervised by religious officials (Kuran, 2010, p. 7).

Finally, Islamic jurists saw themselves forced to give new interpretations of the Shari'ah law so as to adapt to modern economic requirements. An initiative that could be considered a step towards integration was the establishment in the middle of the 20th century of Islamic banks, (Professor Kuran signals a contradiction of the terms, from a historical point of view - see Kuran, p. 12). Opinions emerged that called this move economic modernization, but also opinions that called it economic "Westernization".

Regional and global integration is a pressing necessity in the Arab countries and a 21st century imperative. In this sense, the United Nations Economic and Social Commission for West Asia "considers integration to be a means and an end" (UNESCWA, Arab Integration: A 21st Century Development Imperative, p. V). The Commission underlines the relevance of integration for the Arab world in a vision in which the Arabs aspire to achieving this goal by which they could establish a rebirth, aimed at creating beautiful societies based on equality and freedom. As the premise of the aspiration of the masses towards integration will prove more correct, the more desideratum will be made easier. There are, however, contrary assumptions about Arab civil society. In this direction, the economist and political scientist Timur Kuran considers that in the case of Arab society the "chronic debility of civil society" has been reached because leaders

prohibited intellectual investigations, limited artistic expression and suppressed the freedom of population to express political disagreement. One factor stated by the same author that negatively impacts democratization, is that, by the end of the 19th century, Arab societies were governed by the Shari'ah law, which "essentially excludes autonomous and self-governed private organizations". Since the nineteenth century, the corporate concept in Europe has been introduced, which has also gradually led by the adoption of foreign trade codes to the creation of large companies such as banks or telecom giants. At the time of these findings (2011), Kuran also considered an optimistic vision on the Middle East democratization process, based on the fact that a private sector already exists, even if it is in an "embryonic form" (Kouran, 2011).

Before the media could in some way influence the Eastern culture, and especially the Arabic culture, Professor Hitti remarked about the interpenetration of cultures that until the fourteenth century, "The distinction between East and West was rather artificial. It is only from the 16th century (the beginning of the Ottoman period) that the roads split, the West using scientific and experimental methods to acquire technical knowledge meant to lead to the mastery of nature, leaving the Orient outside of these concerns" (Hitti, p. 475, author's translation from Romanian edition).

5. Perceptions of globalization in the Arab world

Following the situation presented above, the central curiosity is to discover the answer for the question: how does globalization feels in the Arab East? Adapting after the World Commission (p. 16), we can draw the following conclusions:

- The Arab perceptions of globalization are shaded by wars and by the ongoing Arab-Israeli conflict.
- Two main factors condition the attitude of the Arabs: the first, represented by the current model of integration with the rest of the world, where oil exports and population migration are the main pillars, and the second, outlined around the fears of globalization's impact on local identity and traditions.
- Though oil reserves have been a major promoter of the region's overall integration, they are regarded with reserve. Although they helped finance large projects such as infrastructure, they have undermined the growth of industry and agriculture. Because of them, the discrepancies between the Arab countries are very high.
- Due to globalization, the Arabs feel the interference of foreign powers in their political and economic affairs; foreign intrusion has undermined sovereignty and led to waste through unnecessary military spending.
- Some Arabs believe that Western interests have not been able to support the democratization of the region, either for fear of political Islam or for maintaining the existing regime in the oil sector.
- Press and Western values have raised concerns, as do the Palestinians.
- Economic modernization is considered by some the end of dependence on foreign powers and the path to accelerated economic growth.
- Opinion polls show that integration between the Arab states and ties with Europe is both desirable, both for positive results from globalization and for counteracting low-priced Asia-wide competition.

6. Conclusions

Regardless of the particularities of the population in different parts of the globe or their history, regardless of the geographical, political or religious differences encountered, globalization acts as a phenomenon that generates change everywhere. Within this framework, global and regional economic integration occupies a central role for each nation. Over time, the ties between East and West have proven to be a necessity and so is today.

In Arab East, globalization feels slightly different than in other parts of the globe, with Arabs feeling that those in the West want to interfere in their internal affairs. Although they live under the shadow of conflicts, war and political uncertainty, the Arabs behave similarly to their Western contemporaries: they use socializing sites in English although they are Arabic, watch TV without censorship, they want to go forward in democracy and looks forward to economic modernization leading to the necessary economic growth.

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