



Part III: Changing
Societies In The Arab
World

Chapter VII: Population And Economic Growth

Introduction

Introduction

- The years of political stress were a time when societies were changing rapidly.
- First of all, the growth of population and its pressure upon the means of subsistence were now to be observed almost everywhere and were beginning to be recognized as the source of problems of many kinds.

Introduction

- In Egypt, the increase had been continuing for more than a century with ever-growing momentum.
- The change was caused primarily by a decrease in the death-rate.
- Moreover, infant mortality in particular had decreased in that time.

Introduction

- Compared with this, there had been little change in the birthrate.
- Similar rates of growth existed by now in other countries, although the process had started later than in Egypt.
- The result of such a rapid increase was that the age-distribution of the people changed; by 1960, more than half the population in most countries was under the age of twenty.

Introduction

- There were other changes too in the structure of the population.
- The foreign element, which had played so large a part in the modern sector of the economy, had shrunk as political conditions changed and economic privileges were whittled away.

Introduction

- There was a large movement of 'Jews' both from Europe and from the countries of the Middle East and the Maghrib to the new 'state of Israel'.
- The ancient 'Jewish' communities of the Arab countries dwindled in a corresponding degree, through emigration to 'Israel', Europe and America.

Introduction

- A change of more general significance was the movement of population away from the land.
- This came about mainly as a result of the increase of the rural population above the capacity of the land to support it.
- In some places it was caused also by changes in agricultural techniques: the introduction of tractors on grain-producing land meant that fewer laborers were needed.

Introduction

- In one country, Palestine, the displacement was more directly a result of political changes.
- Rural over-population was already to be seen in Arab villages by 1948, but the events of that year led to the dispossession of more than half the villagers, and most of them became landless refugees in camps or slums in Jordan, Syria and Lebanon.

Introduction

- For peasants who could not survive in the villages, the centers of power and trade had a positive attraction: they could hope for work in the growing industrial and service sectors of the economy, and for a higher standard of living and better opportunities for the education of their children.
- Most of the rural migrants, however, went to the cities of their own or neighboring countries.

Introduction

- Because of these internal migrations, most of the Arab countries were changing from mainly rural societies to societies where a large and growing part of the population was concentrated in a few large cities.

Economic Growth

Economic Growth

- If the growing populations were to be fed, and living standards improved, more would need to be produced in countryside and city.
- This need gave a new urgency to the idea of economic growth.

Economic Growth

- In the last phase of imperial rule both Britain and France began to look to rapid economic growth as a possible way of creating a common interest between rulers and ruled, and when nationalist governments took over they too looked upon economic development as the only way of achieving the strength and self-sufficiency without which nations could not be really independent.

Economic Growth

- Governments intervened more strongly in the economic process in order to encourage growth.
- In the countryside it was an era of large-scale irrigation works in a number of countries: Morocco, Algeria, Tunisia, Syria and above all Egypt and Iraq.
- This was a period too when tractors were introduced on a large scale. They had already been in use by 1939 on European-owned land in the maghrib.

Economic Growth

- The use of chemical fertilizers was not so widespread, except in Egypt, Lebanon and Syria.
- The result of these changes was an extension of the cultivated area in a few countries, and of crop areas almost everywhere, and in most places a change from the production of cereals Intended for local consumption to that of cash crops to be marketed in the cities or exported.

Economic Growth

- In Syria and northern Iraq, the changes were brought about by private enterprise.
- For the first time, land in this region of uncertain rainfall could be cultivated on a large scale and with sufficient economy of manpower to make cultivation profitable.
- The result was a further shift in the balance between settled agriculture and the rearing of livestock which previously had been the safest and most profitable use of land and the extension of cultivation.

Economic Growth

- In the valley of the Euphrates and elsewhere in Syria, cotton cultivation also expanded.
- Important as it might be, the expansion of agriculture was not the first priority for most governments with resources to invest.

Economic Growth

- The rapid development of industry seemed more urgent. Most governments gave attention to creating the infrastructure without which industry could not grow: roads, railways, ports, telecommunications and hydroelectric power.
- Investment by governments, and to a lesser extent by private individuals, led to some expansion of industry.

Economic Growth

- For the most part, it was consumer industry: food-processing, building materials, and textiles, particularly in Egypt and Syria which had their own supplies of cotton.
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- In countries with mineral resources, mining became important, especially phosphates in Jordan, Morocco and Tunisia.

Economic Growth

- In some ways, economic growth increased the dependence of most Arab states upon the industrialized countries.
- The accumulation of national capital for investment was not sufficient for their needs, and growth depended on investment and aid abroad.

Economic Growth

- (In addition) There was little private foreign investment.
- Later, American loans were given to countries whose policies were in harmony with those of the United States, and by the end of the 1950s, Russian loans were being made to Egypt and Syria.
- Foreign aid was given, for political reasons and, when it was not used to expand the armed forces of newly independent countries.

Economic Growth

- It was used mainly to finance the importation of capital goods or materials which were needed in order to improve the infrastructure or to develop industry.
- The result tended to be that dependence on the countries from which aid came was increased.
- Countries which received aid remained in debt to those which gave it, and their main trading relations continued to be those with the industrial nations of Europe.

Economic Growth

- The pattern of exchange remained as much as it had been before, with raw materials being exported and manufactured goods coming in.
- There were two significant changes, however: the import of textiles became less important, as local textile factories were created; the import of wheat increased, since local production could no longer feed the growing population of the cities.

The Role of Oil In Arab Economy

The Role of Oil In Arab Economy

- One kind of export grew rapidly in importance in these years, that of oil, and it provided the most striking example of economic interdependence between the countries which possessed oil and the industrialized world.
- After a small beginning before the Second World War, the oil resources of countries of the Middle East and the Maghrib proved to be among the most important in the world.

The Role of Oil In Arab Economy

- By 1960, these countries were producing 25 per cent of the world's crude oil and because of the small size of the local market were collectively the world's biggest exporters.
- The largest production was in Iran and, among the Arab countries, in Iraq, Kuwait and Saudi Arabia, but there was also production in other countries of the Gulf and in Egypt, and by 1960 large deposits had been discovered also in Libya and Algeria.

The Role of Oil In Arab Economy

- The concessions to explore for oil, and to extract and export it when discovered, were held everywhere by western companies, for the most part controlled by the small number of great oil companies who between them held a virtual monopoly over the industry.
- Moreover, the exploitation of oil was in the hands of different foreign countries.

The Role of Oil In Arab Economy

- Their capital came mostly from private western investors, and this indeed was the most important example of western private investment in Arab countries during this period.

- The higher technology too was provided mainly by European and American officials.

The Role of Oil In Arab Economy

- The bulk of the oil was exported to western countries. Apart from the oil itself, the contribution of the host countries lay for the most part in the lower ranks of labor, skilled and unskilled.
- By the beginning of the 1960s, the situation was changing, however.

The Role of Oil In Arab Economy

- More local men were being employed in highly skilled jobs and, although the total labor force was still not large, those trained in the industry were moving into other sectors of the economy.
- In 1960, the main producing countries (not only in the Middle East) came together in the Organization of Petroleum Exporting Countries (OPEC), an alliance with the aim of presenting a common front in negotiations with the great oil companies, which themselves worked closely together.

The Role of Oil In Arab Economy

- The way was therefore open for a new process which would end in the countries taking over the functions of the companies, at least in production.
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