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Issues Paper on
UNDP Study of Poverty Alleviation
and Sustainable Livelihoods in
the Region for Arab States

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POVERTY ALLEVIATION AND SUSTAINABLE LIVELIHOODS IN THE REGION FOR ARAB STATES

I. Poverty Profile in the Region

1. 1996 has been declared the International year for the Eradication of Poverty by the UN General Assembly and the UN Secretary-General, Dr. Boutros Boutros-Ghali, to highlight world attention on the problem. Empirical evidence suggests that there has been considerable reduction in the number of the poor in the world, and achievement of somewhat better standards of those who remained in poverty (World Bank 1990: 40). Despite overall success in poverty reduction, the progress on this front in the Arab countries, in which data were available, is at best mixed.

2. New estimates in Tunisia show that the rate of absolute poverty fell from an estimated 11.2 percent in 1985 to 7.4 percent in 1990 (World Bank 1995a: 54). Poverty has been identified as essentially a rural phenomenon (Ayadi and Matoussi 1995: 19). Absolute poverty has declined also in Morocco from 26 percent in 1985 to 13 percent in 1993 (World Bank 1995b: 234). Despite a decline in the percentage of the population living in absolute poverty over the past two decades, the latest living standards measurement survey in Morocco indicates that a large number of households remain vulnerable, even if they are now above the poverty line, and that the level and rate of improvement of many basic social indicators remain disappointing (World Bank 1995a: 365). In Sudan the head-count ratio of the poor has increased from 50 percent in the 1970s to 90 percent in the 1990s (Ali 1995: 4). Although knowledge of comprehensive measures of living standards and of the poverty situation are limited, scattered evidence indicates that poverty is rising in Algeria, Djibouti, Egypt, Mauritania, among Palestinians in the Gaza strip and the West Bank, and Somalia and Yemen (World Bank 1995a: 5, 139, 158, 337 and 559). Indeed, nearly 80 million people or about 40 percent of the total population in the region still lived below the poverty line in 1990 and more than 15 percent of the poor were underfed (UNDP 1995: 24).

3. The above considerations suggest that poverty in the region of Arab States runs deep. More alarming is that if the status quo continues - with inadequate access to employment opportunities for the poor and in particular the mostly youthful population, unequal distribution of wealth and inadequate access to basic necessities, such as safe water, health care and education - poverty will increasingly be a serious threat to economic, political and social stability. More than half of the population in all the Arab countries within the low human development (HD) group, namely; Djibouti, Mauritania, Somalia, Sudan and Yemen have no access to either health services, safe water or sanitation (UNDP 1995: 156-159). Hence, the eradication of poverty from Arab society and the improvement of the human situation is undoubtedly the ultimate and overarching objectives, subsuming all other objectives for the region. For the past decade, the vicious circle of economic stagnation, wars, civil strife, armed conflict, increased insecurity, instability, back to economic stagnation has been dragging Arab societies deeper into poverty. This paper is offered as a (contribution to the) reflection on the major issues and obstacles to the objective of alleviating poverty and sustaining decent livelihoods in the Region of Arab States. In addition, the paper outlines a policy framework towards the eradication of poverty from the Arab region.

II. Socio-Demographic Challenge

4. For the purposes of this paper, the Region for Arab States includes Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinians in Gaza and the West Bank, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates (UAE) and Yemen. Its total population is estimated at 256 million in 1995; with an annual rate of growth of 2.6 percent during the 1990s (FAO 1995). Hence, the population of the region is one of the fastest-growing in the world. This may be considered to be the primary challenge that the region faces, since people are the heart of the development process: both, as its beneficiaries and the principal means to its accomplishment. High rate of population growth poses an obstacle to the objective of alleviating poverty and sustaining the quality of life in Arab society.

5. All the Arab countries have started to realise the effects of rapid population growth, its linkage to sustainable livelihoods and the high dependency ratios resulting from the youthful age structure owing to high fertility levels. The region for Arab States is second only to Africa South of the Sahara in having a predominantly young population, with over 40 percent of its people below 15 years of age in 1990 (UN 1995: 103 and UNDP 1995: 176-177). In contrast, the proportion is only 20 percent in the mature market economies, 30 percent in the developing economies of South-East Asia and about 48 percent in Africa (Amoako 1996: 6). The region's youthful demographic profile imposes a disadvantage, in terms of the heavy burden of young dependents. Within the prevailing cultural norms, the Arab family provides a strong support system, social services and a safety net to its dependents that are often not available in other societies. However, changing economic and social realities are posing difficult challenges to the Arab family and to policy-makers concerned with maintaining social stability and cohesion.

III. Employment Challenge

6. Unless jobs are created at an annual rate not less than 3-5 percent, unemployment will exceed the already high and rising rates, fuelling crime and social instability. For example, in Algeria the number of unemployed workers tripled over the period 1985-94 and the official open unemployment rate is approaching 25 percent (World Bank 1995a: 8). The youth have been particularly affected; at last count, two thirds of the unemployed were under 25 years old. In Djibouti, the stagnant economy and the influx of refugees have led to acute unemployment (World Bank 1995a: 139). Recent estimates indicate that unemployment rates in Egypt and Jordan exceeded 15 and 12 percent respectively in 1994 (UN 1995: 1). Despite the pace of economic growth in both Morocco and Tunisia, unemployment continues to increase at an estimated rate of 16 percent in Tunisia, while urban youth unemployment in Morocco is over 16 percent, compared with 12 percent a decade earlier. This problem constitutes one of the greatest concerns of the authorities in these countries (World Bank 1995a: 518). High unemployment rates continued to be a severe problem confronting Yemen and the West Bank and Gaza strip, where unemployment is estimated at 30 percent (UN 1995: 1).

7. In addition, the problem of disguised unemployment is prevalent in many Arab countries, particularly those with dominant public sectors. Even in some of the Gulf Cooperation Council (GCC) countries, many nationals are unemployed. Expatriate labour currently represents 60-90 percent of total labour force in these countries. The policy of

8. The youthful structure of the population need not be seen only as a disadvantage, however. The key to converting the predominantly youthful profile from a negative into a positive lies in a comprehensive approach to developing the human potential of the Arab States. This requires investments in the region's human capital:

- a. Despite the significant reduction of adult illiteracy rates in the Arab countries from 70 percent in 1970 to 46 percent in 1992 and the rise in the combined primary and secondary school enrolment from 8 million to 46 million between 1960 and 1991, the absolute number of functionally illiterate people increased to 80 million as a result of the rise in drop-out rates as well as other economic, political and social factors (UNDP 1995: 24). Nine million children are out of primary school and 15 million are out of secondary school. Building human capital begins with encouraging adult literacy, and with universal basic education, particularly primary school enrolment.
- b. At the same time, there is a need to promote the development of the full range of human capabilities, namely, cognitive, political, productive and entrepreneurial skills; through the attainment of universal primary and secondary school enrolment in the foreseeable future, through vocational schools to equip school leavers with useful skills and to upgrade the working skills of those employed, enhancing their ability to respond to changing labour market demands, and through tertiary institutions of higher learning (Amoako 1996: 6).
- c. Human capital should also be maintained by strengthening the health infrastructure, particularly primary health care and the most cost-effective clinical care, and promoting changes in behaviour towards more healthy lifestyles, with the objective of boosting the health status of the general population.

IV. Urbanisation and Water Resources Challenges

9. The water situation in the Arab region is critical. No single country in the region has reached the average per capita internal renewable water resources within its human development group. Indeed, all the countries are below a third of its group average. Only five countries, namely: Lebanon, Iraq, Morocco, Somalia and Sudan have a per capita supply of more than 1,000 m³ and are considered as having an adequate per capita water supply (UNDP 1995: 188-189). The remaining two-thirds of the Arab region are thus considered as having an inadequate per capita water supply. Even within the five countries in the region which would be able to meet their basic water requirements in the 21st century, at least three countries are expected to face sharp reductions owing either to upstream development on their main water sources or because they must address difficult water management issues following prolonged civil wars. Because of limited water resources and rapidly decreasing quantity and quality of water many countries in the region, such as the GCC countries have augmented their water resource by non-conventional methods such as desalination and treated waste water affluent. However, it is not clear that such practices coupled with increasing the number of drinking-water-supply projects will be sustainable in the future.

10. Competition for water is also growing with the acceleration of urbanization. More than half of the total population of the region already live in urban areas (UNDP 1995: 186-187). The proportion of the urban dwellers to the total population is expected to reach 60 percent in the year 2000 and 67 percent by the year 2015 (UN 1995: 106). The rapidly increasing urban population will put pressure on governments to provide access to social services. It will also require attention to the long-term relationship between supply and demand of potable water in large cities, hence depriving rural communities of access to safe water. In order to restrain rural-urban migration pressures, social services including the provision of safe drinking water and sanitation will have to be provided in the rural areas as well as in the cities. At present less than 60 percent of the rural population have access to safe water (UNDP 1995: 24). Consequently, internal migration becomes a necessity and, therefore, adds to the rapidly increasing urban population. Empirical evidence suggest that as the urbanisation level increases in the region, unemployment and poverty in urban areas increases too (World Bank 1995a: 337).

11. Due to the strategic location of cities and towns, not to mention the greater political awareness of urban dwellers, it is important for Arab countries to slow down urban growth in the near future. The objective should be planned urban development along more orderly patterns, ensuring spatial balance, environmental equilibrium, and a symbiotic economic and social relationship between the mega cities and the satellite smaller cities and towns as well as rural areas, which will spur sustained balanced growth and stabilise migration patterns.

12. Historically, urban dwellers tend to consume more than rural dwellers in the Arab region (Salih 1987: 435). Urbanization implies that most rural migrants, from being net food producers, become net food consumers. Moreover, generally higher levels of income in the urban centres contribute to increasing food demand, as well as to changing the composition of diets. Changes in lifestyle and dietary patterns over the past three decades have led to a shift in morbidity and mortality rates, with diet-related diseases becoming a major public health concern now accounting for more than half the mortality rates in the region. In addition to the rapid rise in the total energy intake, there has been a steep upward trend in the consumption of animal products, fats and sugars with a decline in that of pulses and nuts (FAO 1995: 152). Thus paradoxically, there is malnutrition among both the poor and affluent in some countries of the region.

V. Food Security Challenge

13. Measured by the nutritional requirements in per capita dietary calories, the average kcal per caput per day of food consumption in the region of Arab States over the past three decades exceeded the recommended international standard for adequate diet (Table 1). Indeed, the improvement in caloric intake in the Arab region over the threshold level for survival of 2100 kcal per capita per day during the 1960s and the 1970s surpassed the threshold of the standard for an adequate diet of 2400 calories a day during the 1980s and the early 1990s (Table 1). Not only has the average calorie intake improved over time in the Arab region relative to other developing regions of the world, food consumption was relatively stable around 3 per cent, measured by the coefficient of variations (C.V.).

14. Despite the improvements in calorie intake at the aggregate, the low-income countries of the region would continue to experience serious food security problems. In 1992, the

below the average of the region and that of the developing countries as a whole (Table 1, FAO 1995: 153 and UNDP 1995: 156-157).

15. The region depends heavily on imports to meet its food needs. On average, the region of Arab states, in particular food-deficit countries, spent 82.4 per cent of their export earnings on food imports in the early 1990s (FAO 1995: 44). This represents the highest share among all developing regions of the world. Perhaps more worrying is the rate at which these percentages have grown: from 26.5 per cent during the early 1960s to 61.9 per cent during the mid-1970s and 82.4 per cent in the early 1990s. Similarly, the share of food imports in total merchandise imports increased from less than 20 per cent in the early 1960s to more than 25 per cent in the early 1990s; again the highest share among developing regions of the world (FAO 1995: 44). A high share of food in total imports implies, apart from its difficulties in financing such food imports, that the country concerned is also deprived of the ability to finance the development process by importing productive inputs. This situation is typical of low income food-deficit countries such as Djibouti, Egypt, Mauritania, Somalia, Sudan and Yemen. In Mauritania for example, over half of total imports are accounted for by food (FAO 1995: 95). Cereals account for 35-50 per cent of the food imports to the Arab countries during the last three decades (FAO 1995: 47). More serious is the accelerating increase of the share of cereals imports in total food imports over time: from 16 per cent in the 1960s to 30 per cent in the 1970s and approaching 60 per cent in the 1980s and the early 1990s (Table 2). This trend is shared by the majority of the Arab countries for which data were available.

VI. The Challenge of Globalization and International Trade

16. The food gap in the Arab region is expected to continue increasing in the light of the changes in the world trade environment (UN 1995: 76). The Final Act of the Uruguay Round of multilateral trade negotiations which entered into force on 1 January 1995, represents a sweeping liberalisation of the global trade regime that will give further impetus to the globalisation of economic operations through trade. The liberalisation of world trade rules, which is an indispensable process in the creation of a fully integrated global economy, has attendant benefits and costs which must be recognised. The benefits are significant reductions in the costs of goods and services throughout the world as a consequence of the elimination of trade barriers and due to increased competition which this will spur. These efficiency gains will not only translate into higher quality goods and services and restrained consumer prices, they will also boost global economic output.

17. The problem, however, is that benefits from increased world trade will not accrue to all countries equally. In an emerging world of keen competition in global markets, some Arab countries start off with challenging handicaps: inadequate productive and entrepreneurial skills base; under-utilization of science and technology, in spite of the continuing shift in the terms of trade in favour of knowledge-intensive products and against natural-resource-rich primary commodities; poorly informed and inflexible institutions unable to respond quickly to global market signals and external shocks; and under-developed infrastructures not efficiently connected to global networks. Thus, global trade liberalization may result in further widening of the gap between the 20 per cent of humanity resident in the richest countries, who already earn over 80 per cent of global income, and the poorest 40 percent (among whom are many Arab States) who scrape by with barely 3 per cent

18. In fact, both the workers in the low-technology sectors of developed economies and in the Arab world, will come under tremendous pressures. The Uruguay Round agreements measures therefore need to be implemented cautiously to tone down the disruptive effects of trade liberalisation on weak economies and vulnerable sectors, giving societies enough time to adapt. However, the most effective approach to ensure that Arab countries share in the benefits of global free trade is to intensify capacity-building to upgrade human capabilities, strengthen private and public institutions, and modernise and expand physical infrastructures. Emphasis must be on securing access to those critical capacities for the poor and the vulnerable. Without health and strength, skills to produce quality goods and services, access to intermediaries for investment finance and working capital and access to efficient infrastructures, the poor will be excluded from the benefits of global markets.

19. In the short run, the effects of trade liberalisation on the economies of the Arab region may be negative. More than half of the countries in the region are natural-resource-rich primary-commodities exporters and the region is heavily dependent on food imports. Therefore, the reduction in subsidies on European agricultural goods (which could amount to 75 per cent of the cost of production) is expected to cause greater budgetary outlays on imported food (FAO 1995: 155). On the other hand, the erosion of preferential trade agreements that favour countries in the Arab region such as the Maghreb countries, Egypt, Jordan, Lebanon and Syria, will have an adverse impact on the extent of exporters from the region. For example, EC absorbs at present 11 per cent of the exports of fresh fruits and vegetables of the Maghreb countries. In addition, the granting of concessions, such as the high entry prices and maximum tariff equivalent granted to the Eastern European economies, will also have an adverse impact on the exports of the region's Most Favoured Nation (MFN) with EC such as Egypt, Jordan, Lebanon and Syria.

VII. Economic Integration in the Region

20. Although the EU started negotiations for partnership arrangements with Mediterranean countries in 1994 and 1995, each country is entering into such agreements individually in the absence of an effective Arab free trade area and/or regional trading bloc, which should have enhanced the negotiating position of Arab countries as a group (UN 1995: 76). In fact, among all regional trading blocs, the Arab region is the only region where its intraregional trade share has been on a decline since the Gulf war in 1991 (UN 1995: 49). Moreover, the level of intra-regional trade remains characterised by a large concentration of trade with a few partners. It is inconceivable that the Arab States will be able to improve their comparative advantages within the emerging global economy without breaking down barriers to intra-regional trade and factor flows.

21. Enhanced regional cooperation and integration has long been recognized by the Arab countries as essential to their individual and collective growth and prosperity. The degree of the commitment to accelerated regional integration, even if unmatched by requisite political will, was reflected in the mandates, protocols and resolutions of the various sub-regional unions. In a world economy marked by formation of large trading blocks, regional integration would enable the Arab region to project itself as a large and important destination for trade and investment. Opportunities for economies of scale offered by a large free market and increased competition would make the region a stronger competitor in the global economy.

It would open up the region to the free mobility

under which local specialisation can take place, fully exploiting local comparative advantages and economies of scale. It would allow complementarities to emerge across the region. It could create conditions for the emergence of Arab transnational corporations with the capacity to compete in global markets. The increased volume of trade in the regional space would give the Arab countries the dynamism that is now lacking, fragmented as they are into undifferentiated tiny markets. A more dynamic economy would create job opportunities especially if coupled with comprehensive human resource development policies. It would create trade surpluses that could facilitate the attainment of food security.

23. But why has the pace of integration been slow, in spite of many benefits? Historically, private sector interests have not been adequately involved in attempts at the economic integration process. With on-going economic reforms towards free markets and increased scope for private sector activities, henceforth, regional integration should be driven by economic interests rather than diplomatic and political considerations. Countries and inter-governmental organisations should also take a much more pragmatic and flexible approach, emphasising tangible results and attainment of targets: notably the reduction of tariffs, harmonization of standards and connection of infrastructures. The European Union (EU) experience after Maastricht has shown that momentum towards integration can be sustained during difficult times only if private sector interests identify closely with continued progress towards its goals (Amoako 1996: 11). The challenge is to match the much needed impetus for accelerating the process of regional integration by a renewed commitment, indeed dedication, by Arab governments to removing the various structural impediments to integration, if an Arab Common market is to be fully realised.

VIII. Policy Framework to Eradicate Poverty from the Region

24. At the heart of the challenge facing efforts to assess the extent of poverty in the region and to suggest ways to alleviate poverty in the Arab countries lies the issue of information about poverty itself. Experience in some developing regions of the world suggests that lack of information on the magnitude and behaviour of poverty are among the main causes of poverty (Salih 1995: 31). Indeed, efforts should be directed in the region towards quantifying the extent and severity of poverty in the Arab countries to enlighten policy formulation towards the eradication of poverty from the Arab region. Poverty measures such as the poverty lines (upper and lower), headcount indices and the poverty gap index are needed to provide the poverty profile for each country. Software packages such as the POVCAL have been developed to estimate the various poverty measures from basic distributional data (UNECA 1995 and World Bank 1993a: 15).

25. Poverty should be taken as a serious policy issue in the Arab region. Despite lack of information on the number of people living in poverty in each and every Arab country, available data indicate that one-fourth of these countries belong to the group of low income human development and more than 50 percent (possibly 90 percent) of their people are living below the poverty line. For the whole region, preliminary estimates suggest that two out of five persons live in poverty. Such estimates should inform and inspire development policy in the region to take poverty seriously. Progress towards ending absolute poverty in these countries will not come on its own, nor can it be imported from economically advanced societies as a gift paid for by rich donors (Amoako 1996: 16). Arab governments will have to implement appropriate policies addressed to the challenge of poverty eradication in the

26. Appropriate policy frameworks leading to rapid growth and declining inequality proved to be successful in reducing poverty in East Asian economies and, in turn, several South Asian countries followed suit (World Bank 1993b: 32-33). Arab countries can benefit from the Asian strategies initially designed to reduce poverty. These strategies consist of four main elements: an appropriate balance between the state and other institutions, labour demanding growth, investment in education and health, and safety nets for the poor and vulnerable groups.

27. The State, as the collective embodiment of society's power, will retain considerable authority because governments in the region control a significant share of national resources and shape the policy environment for private economic agents and civil society. However, less of this power should be exercised through blunt direct intervention in the processes of the economy. More of the state's intervention should be through the power of persuasion and indirect signals transmitted through market channels. Governments should increasingly disengage from direct involvement in production, distribution, marketing and financial sectors, leaving these to private agents. Instead, government should strengthen its role as a facilitator of private activities with a view to sustaining economic growth, equity and social progress. It should maintain a conducive policy environment. To these ends, it should keep channels open for policy dialogue with the business community, agricultural producers and families. That is, a new political economy conducive to sustained broad-based economic growth is needed. In this a more balanced division of disciplined responsibilities between the state, the private sector and the family should be promoted.

28. Labour demanding growth strategies should enable the poor to increase their income from their main asset: labour - through increases in wages and work in self-owned farms, micro enterprises or the manufacturing sector. Agriculture in several Arab economies is the locus of the majority of its poverty. Overall the region's crop production is outpaced by increases in rates of population growth in the 1990s, resulting in reduced levels of per capita food production. The increasing crop production instability (in particular cereals) over time have compounded the gravity of the food shortage. The year-to-year variability in crop production is higher in the region of Arab States than in any other developing region (FAO 1995: 150). For example, the coefficient of variation of cereal production has been 5 times that of Asia and is over 50 percent in Jordan, Mauritania and Saudi Arabia (FAO 1995: 150).

29. Countries of South-east Asia developed successful rice (staple food) intensification programme to ensure domestic food security by stabilizing both production and prices in their domestic markets in the short-run, research and development to raise productivity of farmers to sustain food security in the medium to long-run, enhanced intra and extra-trade environment to improve domestic marketing systems, especially in rural areas (Salih 1995: 34). Although the rice economy of Asia is different from the staple foods system of the Arab States, there is a lot to be learned in recognizing the essential role of agricultural development and stabilization of rice, sorghum and wheat economy for rapid and sustainable growth. Hence, investing in rural infrastructure to improve the efficiency of domestic marketing systems will connect farmers with local buying agents; thus transmitting market information and facilitating exchange. In turn, farmers gain access, acquire inputs and generate income and benefits from trade within a country and between neighbouring countries as experienced in few Arab countries.

30. Social investments (in education, health and social security benefits) can reduce

data are available, the ratio of military expenditure as a percentage of the combined education and health expenditure ranges between 200 to 400 percent in the early 1990s (UNDP 1995: 206-207). This ratio, in 8 out of the 18 Arab countries for which data are available, exceeded that of Israel's military expenditure. In 14 out of the 18 Arab countries the ratio exceeded half their social investment in the 1990s. The improved peace climate in the region provides, *inter-alia*, peace dividends and an opportunity to switch expenditure from military to social investment. Expenditure on basic education has been found to be the main factor in explaining the variance of economic growth between South-east Asia and other developing regions. Empirical evidence suggests that expenditure on basic education, preventive and community health are more helpful to the poor (Ali 1995: 4).

31. However, not all poor people will be able to benefit from programmes of social investments and labour demanding growth. Some will be too vulnerable, infirm, or caught in disasters (as refugees or internally displaced persons). The incidence of impairment and disability is comparatively high in the region of Arab States, estimated to range between 7 and 10 percent of total population (UN 1995: 108). Several factors have caused impairment and disability in these countries. These include poverty and malnutrition of mothers and children, insufficient medical services (in particular incomplete immunization of mothers and children), high fertility and improper birth spacing among Arab families, the prevailing practice of marriage among close relatives, armed conflicts, traffic accidents (in particular in the GCC countries) and negative social attitudes towards disabled persons and social isolation or stigma leading to social handicaps for the region's disabled citizens. In such cases, a combination of family care, social responsibility and safety nets will be required.

32. Despite the slow economic and political reforms in several Arab countries, the number of economic and political asylum-seekers (in particular youth) are increasing over time. In addition, more than one million people were reported as refugees from the Arab countries at the end of 1993 (UNDP 1995: 24). This trend could be reversed, if there is political will to widen political participation and to distribute the benefits of economic growth more equitably.

33. Inequality manifests itself in gender disparities in the region. Despite rapid progress in women's education in the Arab States, only 17 percent of Arab women participate in the formal labour force and women hold only 4 percent of parliamentary seats, well below the 10 percent average in the developing world (UNDP 1995: 24). This leaves a lot to be desired in gender equality in the region of Arab States. Although the region lacks accurate gender-disaggregated data on poverty in the Arab States, regional developments indicate that the number of poor, female-headed households have increased (UN 1995: 128).

IX. Conclusion

34. It is a fact that the region of Arab States is endowed with enormous reserves of non-renewable resources. These should be exploited efficiently and sparingly, keeping collateral environmental damage to a minimum. This generation must not bequeath to the next a poorer, more barren, and less hospitable world. No less than a fundamental reorientation of production, distribution and consumption activities is called for. Science and technology hold the key to sustainable development in the future. It is basic science that will provide the framework for rigorous enquiry that is required to illuminate the complex and delicate

diffusing science and sustainable technology to the peoples throughout the world - and ensuring that the poor have access to it - has gained a new urgency.

35. The Arab region is still a net importer of science and technology. Although the region is short in technology, it is abundant in young population. The basic challenge is to design an appropriate policy framework to encourage the masses of its youngest generation to master science and technology. In doing so, the profile of the young Arab population could be turned into the region's strongest comparative advantage in a world faced with a steadily aging (and , sooner or later, a less productive) population. The Arab society, in past centuries has occupied a pre-eminent position in the world. It is rich in its culture. It is highly cohesive based on the centrality of the family unit and solidarity among members of the extended family. Indeed, it is centrally located at the cross-roads between Africa in the south (of which much of it is a part), Europe to the north across the Mediterranean Sea (as an anchor and trading magnet) and Asia (as an emerging trade partner) to the east. In view of these positive attributes, Arab society at the threshold of the 21st century can rise to the challenge of eradicating absolute poverty and deprivation.

Table 1: Average kcals per capita per day of Food Groups and its Stability in Developing Regions, 1961-92

Region	1961-79		1980-92		1961-92	
	Average	C.V.	Average	C.V.	Average	C.V.
Arab States	2227	7.2	2758	3.1	2492	12.2
Asia	2047	4.9	2459	4.1	2253	10.5
Sub-Saharan Africa	2084	0.9	2051	0.9	2067	1.2
All Developing Countries	2107	4.3	2457	3.1	2282	8.8

Source: Computed from FAO (1995) State of Food and Agriculture: Country Time series SOFA 1995, Rome

Note: C.V. abbreviates the coefficient of variations and is defined as the standard deviation divided by the means of the data. C.V. is in percentages.

Table 2: Shares of cereal imports in its total supply, 1961-92 (in percentages)

	1961-69	1970-79	1980-92
All Arab States	15.5 (25.5)	28.8 (35.5)	59.0 (20.0)
Algeria	25.9 (30.7)	46.9 (38.4)	67.9 (18.9)
Bahrain	--	--	--
Djibouti	103.3 (25.5)	103.2 (20.9)	103.0 (23.1)
Egypt	26.8 (19.0)	33.0 (35.3)	45.8 (12.5)
Iraq	9.1 (91.9)	32.3 (66.3)	66.3 ^a (--)
Jordan	42.4 (32.6)	68.7 (30.0)	89.1 (6.5)
Kuwait	128.6 (13.6)	118.1 (22.0)	107.1 (28.3)
Lebanon	83.9 (7.9)	106.7 (17.3)	93.0 (14.3)
Libya	57.0 (6.7)	76.6 (24.5)	82.9 (11.4)
Mauritania	36.2 (7.5)	70.3 (18.5)	75.5 (27.3)
Morocco	13.0 (54.2)	19.6 (38.7)	28.7 (33.3)
Oman	--	--	--
Qatar	--	--	--
Saudi Arabia	57.0 (15.3)	68.7 (17.8)	87.7 (25.1)
Somalia	--	--	--
Sudan	8.1 (28.3)	7.3 (30.1)	18.3 (50.6)
Syria	13.9 (63.4)	22.9 (60.7)	31.2 (44.2)
Tunisia	28.6 (44.0)	32.5 (33.4)	48.4 (27.3)
UAE	107.3 (16.0)	138.7 (21.6)	146.0 (18.6)
Yemen	15.5 (25.5)	28.8 (35.5)	59.0 (20.0)

Source: Computed from FAO (1994) Food Balance Sheets, FOASTAT, Rome.

Notes: C.V. as defined in the preceding table, reported between brackets, corresponding to its mean share for the period.

Total supply = Domestic production + Imports + Changes in Stock.

Change in stocks = Opening stocks at the beginning of the year - Closing stocks

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