



# Summer Intern Model Arab League July 15, 2017

## BACKGROUND GUIDE Council on Economic and Social Development

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## **Topic I: Establishing education programs, policies, and initiatives to combat the impact of “brain drain” and support the retention of skilled professionals.**

### **I. Introduction to the Topic**

#### **A. General Background**

A large portion of the member states of the Arab League are facing what many are referring to as a “brain drain.” “Brain drain” occurs when a sizeable percentage of a country’s educated population migrates to another country or region in search of better employment opportunities. In recent years, the Arab world had a major increase in the number of young educated citizens moving to Europe and the United States. According to the International Labor Organization (ILO), the Middle East North Africa (MENA) region has the highest rate of unemployment for any region in the world.<sup>1</sup> The lack of employment opportunity has caused a large portion of the MENA individuals to seek employment and residence outside of the region. With 60 percent of people from Arab countries under the age of 25,<sup>2</sup> the youth bulge and high unemployment rates are great causes of concern and push factors for young adults to leave the region. According to one report, approximately 50 percent of students do not return to their country of origin after studying abroad.<sup>3</sup> Each of these factors has serious implications for how a country can move forward, innovate, and advance.

#### **B. History of the Topic in the Arab World**

There are multiple components to how the brain drain was able to manifest itself in the Arab world. The youth bulge is just one in which the MENA region is tumultuously working to educate and employ as its unexpected arrival left countries with no plan in place to stifle rising unemployment rates. As of 2016, nearly 65 percent of the population is under the age of 30 while rates of unemployment for youth have continued to rise, to 30.5 percent youth unemployed in 2014<sup>4</sup>. Governments are still ill equipped to deal with these numbers as those educated do not fit the jobs created or needed and the number of expatriate workers, refugees and conflict hinder a decrease in unemployment.

Many Arab youth are drawn to education abroad in order to gain their higher education degrees. It has long been stated that the Western world has a better higher education system than its counterparts around the world. Therefore, those who can afford western education have a higher likelihood to gain their university degrees at western institutions. Elites from across the Arab League have and continue to receive their education from United States and European

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<sup>1</sup> David, Anda, and Mohamed Ali Marouani. "The Impact of Emigration on MENA Labor Markets." (2016) [https://www.researchgate.net/profile/Mohamed\\_Marouani/publication/309557355\\_The\\_Impact\\_of\\_Emigration\\_on\\_MENA\\_Labor\\_Markets/links/5817004d08ae90acb2410c1f.pdf](https://www.researchgate.net/profile/Mohamed_Marouani/publication/309557355_The_Impact_of_Emigration_on_MENA_Labor_Markets/links/5817004d08ae90acb2410c1f.pdf).

<sup>2</sup> “Middle East and North Africa: Youth Facts.” *Youth Policy*. (2007).

<http://www.youthpolicy.org/mappings/regionalyouthscenes/mena/facts/#refFN13>

<sup>3</sup> Gouvea, Raul, and Gautam Vora. "The Arab League: Export Earnings and Economic Development." *Modern Economy* 8.04 (2017): 604.

<sup>4</sup> "MENA region retains highest youth unemployment rate in the world." Global Employment Trends for Youth 2015: MENA region retains highest youth unemployment rate in the world. October 08, 2015. Accessed July 07, 2017. [http://www.ilo.org/beirut/media-centre/news/WCMS\\_412797/lang--en/index.htm](http://www.ilo.org/beirut/media-centre/news/WCMS_412797/lang--en/index.htm).

institutions. The Institute of International Education puts the number of MENA individuals studying at United States Universities at over 53,000 students.<sup>5</sup> These numbers continue to rise each year and many of those students decide to remain.

In addition to education, the rise in the number of expatriate workers throughout the League has led to larger populations within these countries further exacerbating the youth bulge. Data from the Gulf Labor Markets and Migration Center shows over 30 percent of each Gulf country is made up of foreign nationals.<sup>6</sup>

Country	Year	Percentage of Foreign Nationals
Bahrain	2014	52.0
Kuwait	2016	69.4
Oman	2016	45.4
Qatar	2010	89.9
Saudi Arabia	2014	32.7
United Arab Emirates	2010	88.5

Lastly, regional instability has driven a rise in those looking for more opportunity and protection outside of their own state. In countries like Somalia, Iraq, and Syria the instability has created pressure for individuals to leave and find employment and opportunity elsewhere. In 2015 nearly 1.3 million refugees applied for asylum in Norway, Switzerland, and the European Union<sup>7</sup>. As of 2016, Jordan hosts over 2.7 million refugees, Turkey hosts 2.5 million, Lebanon hosts 1.6 million and Iran hosts close to 1 million refugees.<sup>8</sup>

### C. Finding a Solution to the Problem: Past, Present, and Future

There have been many attempts by various Arab League member states to combat the brain drain in their own country. Saudi Arabia is implementing its new economic, Saudi Vision 2030 plan, a plan to incorporate policies to increase their education system and participation in the private sector. Jordan is also in the midst of implementing their second economic plan since the turn of the century to increase employment opportunities in the private sector. Retaining Arab nationals is an issue that is relatively recent, due to the recent bloom of the youth bulge, but ever

<sup>5</sup> "Academic Level and Place of Origin." IIE: The Power of International Education. Accessed July 08, 2017. <https://www.iie.org/Research-and-Insights/Open-Doors/Data/International-Students/Academic-Level-and-Place-of-Origin>.

<sup>6</sup> "GCC: Total population and percentage of nationals and foreign nationals in GCC countries ." April 20, 2016. Accessed July 8, 2017. <http://gulfmigration.eu/gcc-total-population-percentage-nationals-foreign-nationals-gcc-countries-national-statistics-2010-2016-numbers/?print=pdf>.

<sup>7</sup> Connor, Phillip. "International migration: Key findings from the U.S., Europe and the world." Pew Research Center. December 15, 2016. Accessed July 08, 2017. <http://www.pewresearch.org/fact-tank/2016/12/15/international-migration-key-findings-from-the-u-s-europe-and-the-world/>.

<sup>8</sup> "Ten countries host half of world's refugees: report." Al Jazeera. October 04, 2016. Accessed July 08, 2017. <http://www.aljazeera.com/news/2016/10/ten-countries-host-world-refugees-report-161004042014076.html>.

increasing. The council should look at ways in which it can work to retain its nationals at local universities, entice nationals to return to their country of origin if they go abroad for study and find ways to decrease unemployment and conflict in the region.

## **II. Questions to Consider in Your Research**

- How does the brain drain affect your country's economic plans moving forward? Is there a plan to implement more people into higher educated jobs?
- How has your country tried to combat the brain drain? Has it been successful? Why or why not?
- How does my country's education system compare to the other members of the Arab League? Compared to Europe and the United States?
- Does the reverse effect happen, in regards to foreign professors coming to teach in your country?

## **III. Questions a Resolution Might Answer**

- How can states lower unemployment, especially in the private sector, which requires highly skilled laborers?
- How can a state improve their education system to better prepare young people for the professional world?
- Would it be useful to implement a working program similar to ones the EU uses, which takes off restrictions on working and studying across borders in order to keep the educated around?

## **IV. Additional Sources**

- [Shaping the Future A Long Term Perspective of People and Job Mobility for the Middle East and North Africa](#)

World Bank report on the long-term perspective on Job growth and unemployment in the region.

- [Studies in Labor Migration: Middle East and North Africa](#)

This book provides information on labor immigration trends, causes, levels, and solutions.

- [Global Trends: the Middle East and North Africa](#)

World Bank report on the 2017 prospects for economic growth in the region.

- [Brain Drain in the Middle East and North Africa- The Patterns Under the Surface](#)  
United Nations Report on Brain Drain and migration from the region.

## **Topic II: Discussing ways in which League can employ methods such as cultural tourism to benefit the economic development of member states and preserve cultural heritage.**

### **I. Introduction to the Topic**

#### **A. General Background**

The Arab World is rich and diverse in cultures and heritage. Not only do Arab cultures, heritage, and history differ from state to state, but they can also differ from city to city. With over 80 UNESCO World Heritage Sites throughout the Middle East, as well as many notable monuments, landmarks, landscapes, and new investment and promotion of tourism within each member state, Arab League members have the potential to tap into newfound wealth and fuel economic growth.

Cultural tourism is a form of tourism that utilizes a wide range of cultural resources, such as heritage, music, arts, and foods. Cultural tourism is usually perceived as a visit to a monument, or sightseeing, and tends to forget the factors that make up cultures and heritages, such as language, architecture, religion, food, the arts, and historical landmarks. Cultural tourism in the Middle East is much more than just Sun, Sand, beaches<sup>9</sup> and modern city centers. With the proper investment, preservation, promotion, along with the cultural diversity, and ancient cities, sites, and artifacts, Arab states have the potential to become the tourism hub of Asia, and possibly the world.

Tourism is a key to economic growth in the Arab World. Arab states that rely on oil exports for a significant portion of their GDP are seeking to diversify their economies, some countries have taken the initiative to invest and promote cultural tourism for economic growth. Preserving, promoting and improving cultural tourism in Arab states is vital for Economic growth, not only does it generate revenue for the state, but it also educates foreigners on the culture, heritage, and history of the Arabs.

#### **B. History of the Topic in the Arab World**

There are hundreds of historical sites throughout the Arab world. These ancient wonders have the potential to attract tourists and researchers, which will generate substantial revenues for the state. Many of the cities in the Arab world have been around for as long as 10,000 Years. Damascus, Syria has evidence of Habitation that dates back at least 11,000 years<sup>10</sup> and is home to some of the oldest mosques, architecture, and artifacts in the Middle East. These date back hundreds and thousands of years, such as the Umayyad Mosque (opened in 715 AD), the Azm Palace, which opened in 1750, and other sites such as the Temple of Jupiter, and the Citadel of Damascus. There are numerous ancient sites across Syria, but due to the ongoing Syrian conflict, it has become difficult to protect and maintain ancient Syrian sites. Cultural heritage and ancient sites come under threat during a time of conflict and instability, for example, the monumental

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<sup>9</sup> <http://www.worldbank.org/en/news/feature/2013/02/11/tourism-in-the-arab-world-can-mean-more-than-sun-sand-and-beaches>

<sup>10</sup> <https://www.mnn.com/lifestyle/eco-tourism/stories/12-oldest-continuously-inhabited-cities>

ruins of Palmyra were destroyed by ISIS<sup>11</sup>, parts and artifacts were stolen and sold on the black market. In Egypt, the Great Pyramids of Giza & the Sphinx, were constructed during the pre-Islamic civilization, and today are regarded as one of the most popular tourist attractions amongst the Arab States, and the world. In Yemen, the Ancient city of Sana'a is a popular tourist attraction. The centuries-old city was established during the Pre-Islamic era. The city is known for its old mud houses, and the famous Bab al-Yemen, the main gate of the old fortified city. Due to the lack of security and instability in Yemen, foreigners have avoided from traveling to Sana'a, and many of the heritage sites across the city are being destroyed due to the ongoing conflict.

### **C. Finding a Solution to the Problem: Past, Present, and Future**

Many countries have taken the initiative to invest and preserve cultural heritage sites, as well as promote tourism within their country. Gulf countries promoting tourism have established cultural missions and centers abroad, including, the Saudi Arabian Cultural Mission to the US, or the Omani Sultan Qaboos Cultural Center, both located in Washington DC. Each was established with a goal of attracting tourist and foreign investments.

Tourism in the Arab League States is divided into three sectors. The first being Arab tourism, which has developed across member specifically in the Gulf States, Jordan, and Morocco where tourists are able learn and experience the lifestyle of Bedouin Arabs by visiting Bedouin Camp-Resorts. Cultural tourism is another popular method of attracting visitors to see historic cultural sites such as Marrakesh, Morocco, a century's old city known for its old souqs (marketplace), where locals and foreigners come and purchase caftans, carpets, and other handmade goods<sup>12</sup>. Finally, Muslim and Islamic tourism is on the rise with new marketing of the Museum of Islamic Art in Doha, Qatar, or the Sheikh Zayed Mosque in Abu Dhabi, The United Arab Emirates, which attracted 2,562,000 visitors in 2012<sup>13</sup>.

In addition to the new promotion of cultural tourism, many heritage sites throughout the Middle East are being destroyed due to ongoing conflicts in their region. This council should focus on ways to both continue to foster and promote cultural tourism, as well as discuss ways in which member states can aid in the preservation of historic sites across the Arab League. Consider which sites may be at most risk and how to possibly protect them as well as how citizens of League member states might be able to access these sites more frequently to promote cultural tourism.

## **II. Questions to Consider in Your Research**

- Does your country have a cultural ministry?
- What has your country done to preserve cultural heritage?
- Does your country have an economic sector for tourism?
- How do you define cultural heritage?

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<sup>11</sup> <http://news.nationalgeographic.com/2015/09/150901-isis-destruction-looting-ancient-sites-iraq-syria-archaeology/>

<sup>12</sup> <https://www.journeybeyondtravel.com/morocco/tourism/>

<sup>13</sup> <http://www.emirates247.com/news/emirates/2-56m-tourists-visit-sheikh-zayed-grand-mosque-2013-01-29-1.492977>

- Has my country or the Arab League done anything to affect the image or stigma surrounding mental health?

### **III. Questions a Resolution Might Answer**

- How does the league come up with ideas while respecting the sovereignty of each state?
- How can stable countries in the region help preserve ancient artifacts in countries that are currently in conflict?

### **IV. Additional Resources**

- [UNESCO World Heritage List](#)  
This site provides information on various cultural centers and attractions throughout the world, sorted by country.
- [Tourism, Culture and Development in the Arab Region](#)  
UNESCO's report gives more detail on the importance of cultural tourism as well as some important sites which should be protected and preserved in the Arab World.

### **Topic III: Reviewing and reforming the Greater Arab Free Trade Area (GAFTA) while emphasizing ways that the League can promote the private sectors and economic diversification of member states.**

#### **I. Introduction**

##### **A. General Background**

The vast majority of countries in the world are members of one or more economic integration body. There are varying degrees of integration ranging from free trade areas, which focus on reducing or eliminating traditional barriers to trade (such as caps or tariffs on imports), to economic and monetary unions, which standardize the currency and economic regulations across a number of countries. These unions and agreements are designed to encourage economic interdependency and cooperation, creating greater stability and security in the region. In the Arab world, there are two main economic integration agreements: the Gulf Cooperation Council (GCC) and the Greater Arab Free Trade Area (GAFTA).

##### **B. History in the Arab World**

Established and acceded to by 14 Arab League states in 1997, the Greater Arab Free Trade Area seeks to build off of the League's Joint Defense and Economic Cooperation (JDEC) Treaty to promote increased trade and investment amongst its members. Proposed by the Council of Arab Economic Unity – a subcommittee established in 1957 by the Arab Economic and Social Council – GAFTA was designed to promote the Council's main mission: "achieving economic integration within a framework of economic and social development."<sup>14</sup> Though the Arab Economic Unity Council had sought to implement such frameworks throughout its history, most notably through multiple unsuccessful proposals to create an Arab Common Market, GAFTA is the most enduring and meaningful agreement to date that seeks to do so.

The text of the agreement was agreed to by 14 League members, and that number has since increased to 18. Designed as a ten-year plan, the main actionable clauses of GAFTA include a gradual reduction in tariffs among the parties (Article VII) and protection measures for Arab goods that "face competition from similar or non-Arab goods" (Article II, Section 1), and establishing a "minimum level of trade cooperation among the party-states" (Article III). Though the plan was scheduled to be concluded by 2008, it is questionable whether all party-states have met these obligations.

Still, according to a 2005 study, from 1993 to 2005 intra-GAFTA trade rose at an average of 15% per year, nearly double the 8% global rate (though the authors hesitated to attribute all of that growth to the agreement itself).<sup>15</sup> That said, the region's overall dependence on oil revenue has resulted in sluggish – or negative – growth in recent years, due to the advent of shale oil and

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<sup>14</sup> *Encyclopaedia Britannica*, "Council of Arab Economy Unity," <https://www.britannica.com/topic/Council-of-Arab-Economic-Unity>.

<sup>15</sup> Javad Abedini and Nicolas Péridy, "The Greater Arab Free Trade Area (GAFTA): An Estimation of the Trade Effects," *Journal of Economic Integration* (2008), <http://www.e-jei.org/upload/75X37849QW54K612.pdf>.



a global drop in oil prices.<sup>16</sup> Of the 13 Arab countries reporting numbers in 2015, just six had positive export growth: Palestine, Morocco, Sudan, UAE, Kuwait, and Algeria.<sup>17</sup> Compared to 11 of 15 reporting positive growth in 2014, and 12 of 17 in 2013, this represents a concerning trend that must be addressed within the League.

### C. Finding a Solution to the problem: Past, Present, Future

The Arab world presents a number of benefits and challenges to trade and economic integration.

On the positive side of the ledger, the region is diverse in both its natural resources, as well as its primary industries. On its face, this would seem to promote trade between the subregions of the Middle East – the Maghreb, Levant, Gulf, and Horn of Africa – as the goods offered vary significantly. While this is reflected in some Arab economies, the reality is that there are vast discrepancies between the 22 League members. The chart below demonstrates the significant variations.

INTRA-ARAB TRADE (2015)		
Member State	% Exports to Arab States	% Imports From Arab States
Algeria	7	7
Bahrain	54	58
Comoros	5	1
Djibouti	64	5
Egypt	30	12
Iraq	3	9
Jordan	45	29
Kuwait	8	20
Lebanon	43	7
Libya	2	14
Mauritania	1	11
Morocco	5	8
Oman	16	41
Palestine	14	9
Qatar	8	17
Saudi Arabia	11	12
Somalia	84	15
Sudan	32	23
Syria	65	11
Tunisia	10	11
United Arab Emirates	20	7
Yemen	17	24

<sup>16</sup> “Exports of Goods and Services (Annual % Growth),” *The World Bank*, <http://data.worldbank.org/indicator/NE.EXP.GNFS.KD.ZG?locations=1A>.

<sup>17</sup> *Ibid.*

Above League Average	At League Average	Below League Average
Data collected from the MIT Observatory of Economic Complexity <sup>18</sup>		

From the data, at least three clear trends emerge. First, Arab states tend to export products within the region far more than they import: on average, League members export about 25% of their goods and services to other Arab states, but import just 16% from within the League. Second, import and export trends are very polarized: 15 of the 22 states export more than 40% or fewer than 10% of goods and services to Arab states, while ten of the 22 exhibit the same proportions in terms of imports. Finally, these trends seem to differ among subregions: the Levant tends to exceed these averages, North Africa tends to fall below these averages, while the Gulf and Horn largely sit in between.

That said, the trends do not preclude intra-Arab trade, but instead reflect geographic realities. Due to both proximity and historical ties (many due to colonialism), North Africa trades more heavily with Europe and its immediate African neighbors than with its Arab allies to the east. While the Gulf trades within its own subregion (aided by the existence of the GCC), its largest non-Gulf trading partners are often the United States or East Asian industrial giants like China and Japan. The Levant resides in between the other three Arab subregions, leading to a greater number of logical trading partners within the League. Horn states like Djibouti and Somalia have storied trading relationships with Gulf States like Oman and Saudi Arabia, but simply do not have strong enough economies to import the finished goods of their highly-developed counterparts.

The discrepancies also reflect macroeconomic considerations: in 2016 the GDP per capita of six Arab states was over \$38,000, while the GDP per capita of eight of those states was under \$5,000.<sup>19</sup> The differing economic conditions of various Arab populations naturally lead to trade imbalances, though more concerted economic integration could alleviate them were the Arab League to deem it a prudent approach. In addition to this, diversification might yield greater intra-Arab trade, as a wider range of products might present export destinations that did not need or could not afford a particular state's traditional exports. Delegates should seek to identify these factors and take advantage of opportunities they present in order to increase trade within the League, while removing any potential barriers that GAFTA might unintentionally create.

## II. Questions to Consider in Your Research

- Who are my state's primary trading partners? What economic, geographic, or historical factors influence this?
- Is my state a member of GAFTA? If so, what benefits does it derive from membership?

<sup>18</sup> Alexander Simoes, "The Observatory of Economic Complexity," <http://atlas.media.mit.edu/en/>.

<sup>19</sup> "GDP – Per Capita (PPP)," *CIA World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/fields/2004.html>.

- What percentages of my economy are based in the public and private sectors? How might alterations to those percentages improve its economic prospects?
- What are my state's primary exports, and what opportunities does my state have to diversify its economy?

### **III. Questions a Resolution Might Answer**

- How might updates or alterations to GAFTA increase intra-Arab trade? Should GAFTA be amplified or reduced in terms of the degree to which it integrates Arab economies?
- How might GAFTA adapt to economic and geographic realities throughout the Arab world, and use them to enhance existing trade networks in the region?

### **IV. Additional Resources**

- [MIT Observatory of Economic Complexity](#)

Prepared as the Master's Thesis of Alexander Simoes, this resource compiles a number of economic measurements and breakdowns for every country in the world, including import-export partners, import-export categories, income inequality, trade balance, and even some advanced metrics such as economic complexity. A one-stop-shop for your country's trading profile.

- [Economic and Social Council Resolution No. 1317-O.S. 59](#)

Full text of the Economic and Social Council resolution that agreed to establish the "Pan-Arab Free Trade Area."

- [Arab Free Trade Area Agreement \(1997\)](#)

Full text of the Arab Free Trade Area Agreement, including the Executive Program and Articles of the agreement.

- [World Bank Data](#)

Information clearinghouse for global, regional, and individual economic trends, with yearly graphs and charts for a number of economic measurements.