



ARAB HUMAN DEVELOPMENT REPORT 2002

Creating Opportunities for Future Generations

An accurate diagnosis of a problem is an important part of the solution. It is precisely for this reason that the Regional Bureau for Arab States has commissioned a group of distinguished Arab intellectuals to produce the Arab Human Development Report. The wealth of unbiased, objective analysis it contains is part of our contribution to Arab peoples and policy-makers in the search for a brighter future.

The report shows that Arab countries have made significant strides in more than one area of human development in the last three decades. Nevertheless, the predominant characteristic of the current Arab reality seems to be the existence of deeply rooted shortcomings in the Arab institutional structure. These shortcomings are an obstacle to building human development. The report summarises them as three deficits relating to freedom, empowerment of women, and knowledge. These deficits constitute weighty constraints on human capability that must be lifted.

From a positive perspective, the realisation of human development in the Arab world requires transcending current shortcomings, and even transforming them into their opposites, i.e. advantages enjoyed by all Arabs, assets all Arab countries can be proud of in the Third Millennium.

Specifically, the report concludes that Arab countries need to embark on rebuilding their societies on the basis of:

- Full respect for human rights and freedoms as the cornerstone of good governance, leading to human development.
- the complete empowerment of Arab women, taking advantage of all opportunities to build their capabilities and to enable them to exercise those capabilities to the full.
- The consolidation of knowledge acquisition and its effective utilisation. As a key driver of progress, knowledge must be brought to bear efficiently and productively in all aspects of society, with the goal of enhancing human well being across the region.

In the end, bold thinking holds the key to realizing, as opposed to only conceiving of, grand visions for the future. Great goals require great acts.



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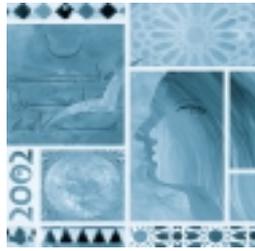


UNITED NATIONS DEVELOPMENT PROGRAMME
ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT

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THE ARAB HUMAN DEVELOPMENT REPORT 2002

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FOR ARAB STATES / UNDP

ARAB FUND FOR ECONOMIC AND
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Foreword By the Administrator, UNDP

The United Nations Development Programme has issued annual Human Development Reports (HDRs) since 1990. Building on the work of Nobel Prize-winner Amartya Sen and others, the first HDR was a groundbreaking effort to assess the state of global development from a people-centered perspective that puts the expansion of human capabilities, choices and opportunities at the centre of the development process. The pioneering Human Development Index (HDI) also provided a powerful new way of assessing a country's success in meeting the needs of its citizens that looked beyond simple measures of wealth creation.

Successive HDRs have followed that path and fleshed out new approaches to strengthening human development and human security, in the process helping to catalyze a broader revolution in the policies and programmes of development agencies and many developing countries themselves. That process has been stimulated and accelerated in recent years by the production of a growing number of regional, sub-regional and national HDRs that have proven to be powerful tools for advocacy and national policy development.

To date, UNDP has helped prepare 35 national and sub-national HDRs for 17 Arab States. As the region as whole seeks to confront a growing range of political, social and economic challenges from unemployment and poverty reduction to peace and enhanced human security, we believe the time is right for a study that assesses the current state of human development across the region and offers some concrete suggestions on how to accelerate progress in the future. In light of recent events and tragedies, it seems important to ask how the region is doing in allowing political voice to its citizens and in meeting the economic and social aspirations of all the men

and women of the region. Is economic and social reform keeping pace with demographic growth and demands for a better life?

This report, the first regional HDR for the Arab States, is the result, covering a total of 22 countries from the Maghreb to the Gulf. The report has some encouraging findings. Overall, it shows that Arab states have made substantial progress in human development over the past three decades. Life expectancy has increased by about 15 years; mortality rates for children under five years of age have fallen by about two thirds; adult literacy has almost doubled—and women's literacy has trebled—reflecting very large increases in gross educational enrollments, including those of girls. Daily caloric intake and access to safe water are higher, and the incidence of dire poverty is lower than in any other developing region.

But the report also makes it clear how much still needs to be done to provide current and future generations with the political voice, social choices and economic opportunities they need to build a better future for themselves and their families. It notes that quantitative improvements in health and education have not yet reached all citizens, and finds that too often expansion of services has not been matched by needed qualitative improvements in their delivery. It underlines how far the Arab states still need to go in order to join the global information society and economy as full partners, and to tackle the human and economic scourge of joblessness, which afflicts Arab countries as a group more seriously than any other developing region. And it clearly outlines the challenges for Arab states in terms of strengthening personal freedoms and boosting broad-based citizen participation in political and economic affairs.

The report was prepared by a team of

Arab scholars, with the advice of a distinguished panel of policymakers in the region. As with all Human Development Reports, the conclusions are not in any way a statement of UNDP policy. The disclaimer is particularly important on this occasion, as it is independent experts from the region rather than UNDP who have placed their societies under a sympathetic but critical examination and have exposed strengths, weaknesses, opportunities and threats about themselves in a way that perhaps only Arabs should.

So this is not the grandstanding of outsiders but an honest, if controversial, view through the mirror. As such, it is aimed at stimulating discussion and debate by policymakers, practitioners and the general public alike on how best to tackle the most pressing challenges to improving human development across the region. In that context, we hope its real contribution will be to help Arab countries to continue to advance the fundamental purpose of development—helping their citizens build richer, more fulfilling lives for themselves and their children.

A handwritten signature in black ink that reads "Mark Malloch Brown". The signature is written in a cursive, slightly slanted style.

Mark Malloch Brown.
Administrator, UNDP

Foreword by the Director General and Chairman of the Board of Directors, Arab Fund for Economic and Social Development

I am honoured to join hands with UNDP in sponsoring this report, which examines important issues and essential facets of human development in the Arab countries. The report covers critical challenges in health, education, science and technology and the environment, as well as prospects for job creation and Arab cooperation, highlighting development and progress in all these fields. The report further sheds light on the provision of opportunities and incentives for coming generations. In doing so, it looks at reforming education, stimulating research and development, securing appropriate health and environmental requirements, revitalizing economic growth, creating suitable mechanisms for the fair distribution of wealth, developing and activating institutional structures to manage the economy and promoting civil society.

The world is experiencing massive transformations driven by unprecedented and rapid technological progress in production, distribution and information and communications technologies. These world developments are linked to more openness, liberalization, transnational production integration and financial synergy on the one hand and to a trend for nations to merge into mega-economic blocs on the other. In this context, the role of technology and know-how in creating value added has become crucial. Central to these huge developments in any society are the capabilities of people and the extent of scientific and cultural progress. All development starts with human development. This in turn emphasizes the importance of ensuring basic human rights and enhancing people's creative potential and talents as fundamental factors in the progress of any nation. Furthermore, all these elements constitute the core of interna-

tional efforts in the political, economic and social fields.

Arab countries have undoubtedly seen remarkable economic and social achievements during the past three decades. But with the advent of the twenty-first century, they have started to face deep and complex economic and social problems that negatively affect their present and future. These problems comprise, *inter alia*, high illiteracy rates, the deterioration of education, the slow-down of scientific research and technological development, poor production bases and competitive capacity, rampant poverty and mounting unemployment rates. All these conditions compel Arab countries to adopt a balanced package of reforms so as to promote the well being of the community at large. This can be realized through reconsidering the content and goals of education and scientific research; developing institutional structures and cadres; enhancing production and services in quantitative and qualitative terms; and promoting joint and integrated initiatives among the Arab countries. Human well being is not limited to material or purely economic dimensions. It also denotes freedom, justice and partnership, which are indivisible aspects of a decent human life.

Consequently, the Arab Fund for Economic and Social Development gives due attention to the broader developmental priorities of Arab countries. The Fund has financed a wide range of social development projects and programmes. These have included rural development projects, credit schemes, social safety nets for the poor and unemployed, as well as development management, training and institutional support programmes. These efforts have targeted the social dimension of

development and supported the endeavours of Arab countries to administer justice and secure a decent life for their citizens, especially in rural, poor and remote areas.

A pause is essential to take stock of the present state of, and means for achieving human development in the Arab region. The goal is to enhance human dignity and rights in Arab societies and improve levels of welfare for the whole Arab community. This is difficult to achieve without a free, educated human being fully aware of his or her role in building the future. Such conditions, in turn, require the creation of a favourable environment for these orientations to bear fruit.

The Arab Fund for Economic and Social Development and UNDP seek, through their modest efforts, to help the Arab people and countries to develop a more solid understanding of their problems and assets, deficiencies and opportunities. This constructive scrutiny of challenges to Arab human development is designed to enrich knowledge and cast light on ways and means of enhancing the essential components of human well being and human betterment. We are fully confident that Arab countries enjoy, in ample measure, the assets and resources needed to achieve these ends once serious and appropriate programmes are developed and implemented.



Abdel Latif Youssef El Hamed
Director General/ Chairman of the Board of
Directors, Arab Fund for Economic and
Social Development

Foreword by the Regional Director, UNDP/Regional Bureau for Arab States

The focus of this Report is the people of the Arab world, the citizens of the 22 member states of the Arab League. Although the countries constituting the Arab region vary significantly, in area, in population size, in physical and ecological features, and in levels of human well being, they are unified by unbreakable ties. Foremost among these is a common language and a vibrant cultural heritage that today still lives potently in a common cultural context that unites these peoples even when they, at times, go separate ways.

At the heart of this large mass of humanity, spread over a vast landscape, stand the Arab children, who constitute the 'coming generations' of the sub-title. Indeed, the Report team is especially mindful of the children of marginalized and oppressed Arabs, not excluding the Palestinian children, who, deprived of a homeland and fundamental human rights, have lost their lives in defence of freedom and national independence.

No generation of young Arabs has been as large as that of today. The Report sees, in each one of those young people, the makings of tomorrow's champions of human development in Arab countries. For that reason, the Report team has dedicated this first issue in a new series of Arab Human Development Reports to "coming generations". Its messages are, first and foremost, about building better opportunities for them.

The chapters that follow show that Arab countries have made significant strides in more than one area of human development in the last three decades. Nevertheless, the predominant characteristic of the current Arab reality seems to be the existence of deeply rooted shortcomings in Arab institutional structures. These shortcomings pose serious obstacles to human development and are summarised as the three deficits relating to free-

dom, empowerment of women, and knowledge. They constitute weighty constraints on human capability that must be lifted.

From a positive perspective, the realization of human development in the Arab world requires transcending current shortcomings and transforming them into their opposites, that is, into advantages enjoyed by all Arabs and assets all Arab countries can be proud of in the Third Millennium.

Specifically, the Report concludes that Arab countries need to embark on rebuilding their societies on the basis of:

- Full respect for human rights and human freedoms as the cornerstones of good governance, leading to human development
- The complete empowerment of Arab women, taking advantage of all opportunities to build their capabilities and to enable them to exercise those capabilities to the full.
- The consolidation of knowledge acquisition and its effective utilisation. As a key driver of progress, knowledge must be brought to bear efficiently and productively in all aspects of society, with the goal of enhancing human well being across the region.

These priorities form the essence of the necessary transcendence required to overcome the crisis of human development in the Arab region. They are however by no means the ultimate target. The transcendence of current Arab shortcomings requires building Arab productive capabilities in the face of the rentier nature of Arab economies and societies. To achieve human development requires not only reforming governance regimes at the national and pan-Arab levels on a solid foundation of freedoms and economic dynamism, but also the strengthening of Arab co-operation in order to maximize the benefits of globalisation and avoid its perils.

Lagging human development constitutes a

major obstacle that prevents the Arab region from confronting the challenges of globalization. It clearly strips the region of any comparative advantage as it prepares to enter the 21st century. Indeed, it can be argued that building human development in Arab countries has become an absolute necessity for survival in the age of globalization.

The most important resource, however, for the realization of the vision outlined in this Report is unleashing the innovative energies of all Arabs, in the context of an enabling social contract. In the end, bold thinking holds the key to realizing, as opposed to only conceiving of, grand visions for the future. Great goals require great acts. Short-run "fixes" may be easier to adopt but cannot return the large results now required.

An accurate diagnosis of a problem is an important part of the solution. It is precisely for this reason that the Regional Bureau for Arab States has commissioned a group of distinguished Arab intellectuals to prepare this Report. The wealth of unbiased, objective

analysis it contains is part of our contribution to Arab peoples and policy-makers in the search for a brighter future.

Naturally, not everyone will agree with every point made in this Report. Yet I think most will recognize that the endeavour is rigorous and well grounded and that the commitment to a brighter Arab future shines through on every page.

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I want to thank lead author Nader Fergany for his sustained creative contributions and the entire editorial team for their tireless endeavours. I am especially grateful for the support of the Arab Fund for Economic and Social Development, the co-sponsors of this Report and our closest collaborators in its preparation. My thanks also go to the independent Advisory Board for providing quality guidance throughout the process and to Mark Malloch Brown, Administrator of UNDP, and many colleagues for their advice and support.



Dr. Rima Khalaf Hunaidi

Assistant Secretary General and Assistant Administrator, Regional Director,
Regional Bureau for Arab States United Nations Development Programme

The analysis and policy recommendations of this Report do not necessarily reflect the views of the United Nations Development Programme, its Executive Board or its Member States. The Report is the work of an independent team of authors sponsored by the Regional Bureau for Arab States.

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AEUC	Arab Economic Unity Council
AFESD	Arab Fund for Economic and Social Development
AFTA	Arab Free Trade Area
AHDI	alternative human development index
AHDR	Arab Human Development Report
ALECSO	Arab League Educational, Cultural and Scientific Organization
AMF	Arab Monetary Fund
APEC	Asia-Pacific Economic Cooperation
BTU	British thermal unit
CAUS	Centre for Arab Unity Studies
CDE	carbon dioxide emissions per capita
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEDO	consulting and engineering development organization
CIS	Commonwealth of Independent States
CSO	civil-society organization
DALE	disability-adjusted expectation of life at birth
DARPA	Defense Advanced Research Projects Agency
EA	educational attainment
EAP	East Asia and the Pacific
ECA	Economic Commission for Africa
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FCND	Food Consumption and Nutrition Division
FDI	foreign direct investment
FS	freedom score
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	gross domestic product
GEM	gender empowerment measure
GNP	gross national product
HDI	human development index
HDR	Human Development Report
HHW	high human welfare
HPI	human poverty index
HW-F	human welfare--freedoms and institutions
HW-T	human welfare--transparency
ICT	information and communication technology
IFPRI	International Food Policy Research Institute
IH	Internet hosts per capita
ILO	International Labour Organization
IMF	International Monetary Fund
IMR	infant mortality rate

IPPF	International Planned Parenthood Federation
LAC	Latin America and the Caribbean
LE	life expectancy at birth
LHW	low human welfare
LLP	local loop
MENA	Middle East and North Africa
MHW	medium human welfare
MMR	maternal mortality rate
NAFTA	North America Free Trade Agreement
NGO	non-governmental organization
NHDR	national human development report
OECD	Organisation for Economic Co-operation and Development
PAPCHILD	Pan Arab Project for Child Development
PPP	purchasing power parity
R&D	research and technological development
RBAS	Regional Bureau for Arab States
S&T	science and technology
SA	South Asia
SSA	sub-Saharan Africa
TACC	Technology Access Communication Centre
TAI	technology achievement index
TFR	total fertility rate
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
WHO	World Health Organization
WRI	World Research Institute
WTO	World Trade Organization

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