

The Possibility of Activating the Arab Common Market in comparison with the EU

Associate Prof. Alotaibi Mohamed Meteb

Al-imam Muhammad Ibn Saud Islamic University – College of Economic and Administrative Sciences-
department of Economic

Abstract

This study is mainly an attempt to answer the raised question of the potential extent of establishing and activating the Arab Common Market as one of the Arab economic integration. Studying the number of economic indicators which characterize the European Common Market and comparing them to their counterparts in the Arab states to judge the possible extent of establishing the targeted market. The result of Study shows that the difficulty of establishing the Arab Common Market in the case of maintaining the current social, economic and political circumstances without changes in the Arab world, despite the availability of all fundamentals necessary for establishing this market in the Arab world. The study has clarified that the Arab targeted integration has several positive effects such as increasing the Arab inter-exports and hence reducing the Arab imports, the reduction of unemployment rate in the Arab world, the reduction of Arab agricultural unemployment and the food balance deficit.

Keywords: Arab Common Market, economic development, imports, unemployment

1. Introduction

The Arab world has witnessed in recent years a number of political, social and economic pressures in addition to several numerous crises such as the food crisis, the world financial crisis. Among the results of food crisis and world financial crisis is the sudden increase of the world prices. This has led to the rising of domestic prices in the Arab countries and the reduction of the purchasing power particularly in the some poor countries (Suleiman El Manzery, 1999). As the Arab countries rely on foreign imports to meet the domestic needs particularly in food commodities and the advanced states tend at the same time to adopt the strategy of using food commodities specially the strategic ones in producing vital fuel along with the early-mentioned crises, the Arab countries as a whole are surrounded by several political, social and economic dangers which may impede the integration policy ahead (Ryaid Elfaras, 2009). In light of such a situation, it is imperative and mostly important for the Arab countries to activate the Arab Common Market which is considered one of the cherished Arab economic integration steps. Thus, they can avoid the repetition of several crises particularly the expectedly exacerbating food crisis in the forthcoming years.

In light of this, the thesis statement is restricted in a particular question. That is, is there a possibility to establish and activate the Arab Common Market, in the shape of European Common Market, as one of the Arab economic integration stages under the current situation?

The aims, based on the previous question, to answer the raised question through identifying certain concepts related to economic integration and its various stages while focusing on the Arab Common Marketing and comparing it to the European Common Market to determine the similar and dissimilar points. Thus, the study will compare a number of various indicators in the Arab and European markets to infer the judgment on the extent of establishing the targeted Arab Common Market. Finally, the study will examine the effects resulted from the cherished and possible Arab integration.

2. Research method and data collection

To achieve its objectives, the study has relied on several research-studies, and scientific periodical concerned with the topic of study.

2.1 Concepts, stages, benefits and fundamentals of economic integration: Integration definition differs according to its different nature whether a as a process which includes all procedures that distinguish between the economic units affiliated to different countries. However as a reality, integration is defined as the case in which there cannot be any differentiation between the economies of various countries (Friz, Machlup,, 1977). The beginning of Arab economic integration dates was back to the date of Arab league establishment on March 23, 1945.

In this regard, (Balassa, 1961) defines integration model as follows:

Free Trade Area: which means cancellation of tariffs and quantified restrictions among the member states, while each country can maintain its tariffs with the non-member states?

Customs Union: which means cancellation of all custom duties and all quantifies restrictions among member states besides unification of tariffs with the outside world.

Common Market: besides the cancellation of all tariff duties and quantified restrictions and tariffs towards the outside world, it means the liberalization of production elements transformation within the market [work and capital] without restriction among the member states.

Economic Union: it is a more advanced stage than the common market where it provides all the privileges of common market besides policies coordination among the member states whether it is monetary or financial, agricultural or industrial. Thus, it leads to organizing and realizing the targeted policies coordination among the member states in one agreement.

Total Economic Integration: it expresses the highest degrees of integration where the member states economies become a unified economy which has the power as a higher authority to determine a unified policy. Its economic decisions are binding for member states. This integration degree requires the realization of one political union binding to all member states.

In general, the Arab economic integration has several benefits, They are as follows (Arykat Moussa, 2000): Creating a wider market due to the multiple markets and consumers within the member states as the inter-trade among the member states is one of the most important stages of economic integration, helping to create a common market which directly contributes to providing employment, lessening unemployment size among the member states. It helps smoothly transfer practical and scientific expertise among the member states, smoothly attracting capital investments without restrictions. Consequently, capital-exporting states will attain more revenues while the capital-hosting states will invest and employ more production elements: to establishing projects and larger investments which a state can hardly establish unilaterally. Thus, states will benefit from larger production privileges and realize production surplus internally and externally. Easily provide the accessibility of member states to world markets due to the mutual cooperation among the member states that produces world market-required standard products. Therefore, the Arab countries' exports will be increased and the deficit of their commercial balance will be lessened. They will apply proportional privileges in producing different commodities for the member states and elevating the competitive privileges of the member states' production.

The Arab world's fundamentals of economic integration are as follows (Lotfi Ali,1977): Abundance of natural resources in the Arab world-Abundance of capitals resulted from oil revenues particularly before the Gulf war-Abundance of human resources in the Arab world-Market expansion in the Arab world spanned from the Gulf to the Atlantic Ocean and inhabited by more than 370 million people: The Arab world's strategic location amid three continents, namely Asia, Africa and Europe and located on the Mediterranean sea, Arabian Gulf, Atlantic Ocean and Arabian sea which help directly link the different countries of the Arab word to each others (Rasheed Hemad,1977),through availability of all economic integration fundamentals among the Arab countries such as language, ethnicity, race, history, values, social environment and geographic unity (Al Ghouneim Khaled,1975).

2.2 Arab Common Market: The idea of establishing Arab Common Market dates back to 1964 when the Arab economic unity council concluded a time-table program agreement included gradual stages to liberalize trade from custom taxes and other importing restrictions. The agreement was called Arab Common Market agreement where four countries joined the Arab Common Market in 1965, namely Egypt, Syria, Jordan and Iraq. After twelve years in 1977, three other Arab countries joined the agreement, namely Libya, Yemen and Mauritania. In fact during that period, the Arab Common Market was just a free trade zone which was never developed to customs union or common market. However, it achieved tangible increase in the inter-trade volume among these countries. The market existed until 1980 when Egypt's membership in the Arab league was frozen after signing the Israel peace treaty. The other Arab Common Market countries stopped implementing the concluded agreement after the exclusion of the Egyptian largest market of the agreement. In 1998, the Arab economic unity council had decided to approve the implementation program to gradually resume the implementation of Arab Common Market agreement at three stages in which all custom taxes and other similar effect restrictions would be cancelled effectively in 1999. A 40% reduction of custom taxes was approved in January 2000, a 30% reduction was approved in January 2001 and finally a 30% reduction was approved in January 2002. However, Syria and Jordan had reservations over the decision, which they described as useless, and believed in the adequacy of implementing the great Arab free trade zone agreement. Both Yemen and Mauritania asked for postponing the implementation of their commitments for five years, whereas. While Egypt endeavored to expedite the decision's implementation, Libya cancelled the whole custom taxes on its imports (El-Mourssi,2002).

2.3 European Common Market: The European Common Market is a political and economic project appeared after the preliminary meeting held in Italy in 1951 and attended by six-European countries Ministers of Foreign Affairs. The meeting aimed to establish economic union among these countries, namely France, Italy, Western Germany, Belgium, Holland and Luxembourg. The six countries signed a treaty on March 25, 1957 which lay the main foundation of that Market and which was considered as the actual date of the Common European Market establishment. The treaty of Common European Market establishment, signed by the six countries, was

effective in 1958. On the same day in 1973, three more countries namely, Britain, Denmark, and Ireland joined the treaty whereas Norway joined in 1972 raising the member states number to ten states. The number was raised in the year 2000 to thirteen states. In early January 1993, the European countries adopted the most important measures towards establishing the unified Europe as the Common Market member states signed no boundary-barriers agreement for free movement of individuals, goods and capitals among the member states. On 1st January, 1999 the establishment of unified Europe was declared and the circulation of new Euro currency began (Salah Eldeen El Sissy, 2003).

3. Comparison between the European Common Market and the Arab Common Market through a number of certain various indicators: These indicators are restricted into three types. The first type is concerned with general indicators; the second indicator pays attention to a number of economic indicators while the third type focuses on a number of technical and preparatory indicators (Kenawy Ezzat, 2008).

3.1 General indicators group: Table no. 1 shows the comparison between the European Common Market and the potentially established Arab Common Market through general indicators group. They are namely, census in million people, population growth rate, total area in million square kilometers, political regimes, economic systems, geographic borders, traditions and customs, religious factors, language unity, water resources, terrain resources, degree of business bureaucracy, infrastructure efficiency, and women's contribution to social, political and economic life. The results of the comparison as shown in table no 1 indicate the total population is relative where it increases in the case of European Common Market by about 25.6% over the potential Arab Market. That is, the relative percentage does not exceed 7.1% between the two markets. However, the different percentage between both markets reaches about 92.9% out of the total general indicators group numbered as 14 indicators as shown in table no.1

Table no. 1: General Indicators Group

Indicators	European Common Market	Potentially established Arab Common Market
Census in million people	497	370
population growth rate	very little could reach zero in the largest European union state (Germany)	one of the highest population growth rates with average of 2.5%
total area in million square kilometers	2.4 million square kilometers	14.2 million kilometers (10.2% of terrain)
political regimes	Democratic	undemocratic (monarchy or republic)
economic systems	free economic systems by 85% with very limited state's interference. Five states come on top of the best 10 states list in the world. They have integrative economies due to production variation.	a state has a clear interference in some systems. Some of them have adopted free economic policy and privatization.
geographic borders	they distant and complex geographic borders	they have adjacent and connected borders
traditions and customs	largely varied and different	similar
religious factors	they are different and do not constitute a main role in drawing general policies. They include different sects of Christianity, Islam, Judaism and non-religion	religion unity among all member states represented in Islam except for Lebanon. Religion plays a clear role in legislations and drawing general policies
language unity	the European Union has different language as its states have 8 different languages	One language. That is, the Arabic language
water resources	they are abundant and allow lands' cultivation	most states suffer from the shortage of suitable water for lands' cultivation. Thus, largely depend on importing outside food.
Terrain resources	they are so abundant and fertile that they allow lands' varied cultivation	they are abundant but not arable lands in most states
Business bureaucracy	it is low and does not require longer time in accordance to laws and legislations	it is so high and requires longer time and subjects in many cases to personal tendencies
infrastructure efficiency	it is very high and distinguished with modernization and development	it is average prevailed with tradition style.
woman's contribution to social, political and economic life	it is very high and focused on different social, economic and political activities	it is very limited in most states.

3.2 Economic indicators group: Table no. 2 shows the difference of these indicators in both markets.

First: for the European Market. Table no. 2 indicates the increase of total reserves by L.E. 61 billion estimated 11.8%, total national income by \$ U.S. 148.2 trillion estimated 1170.3% and gross domestic product by \$ U.S. 151.6 trillion estimated 894.9%. The revenues of gross domestic product increased by 1%, the individual per capita of national income increased by \$ U.S. 28.000 estimated 186.7%. The deficit of payment balance increased by \$ U.S. 119 trillion estimated 741.7% and the added value of services sector increased by 23.9%.

The individual annual per capita increased by \$ U.S. 31.2 estimated 218.2% and the inter-change ate increased by 48%. Finally, the economic growth rate increased by 1.5% compared to the Arab Common Market.

Second: for the Arab Market: Table no. 2 shows the increase of total savings rate of gross domestic product by 12.2% and the capital increased of gross domestic product by 5%. The cash surplus of gross domestic product increased by 45% due to the Arab people's preference to save their capitals in banks and rely on the savings returns instead of directing them towards internal or external investments compared to the European Market. Table no.2 shows the increase of inflation rate by 7.5% as a direct effect of the world financial crisis on rising the world prices and hence the domestic ones. It indicates as well the increase of unemployment rate by 6.7% because of the Arab states' tendency towards implementing economic reform policy whose most important terms are the tendency towards privatization. In addition, the unemployment rate increase is attributed to the Arab states' reliance, particularly the Gulf States, on foreign workers. Table no. 2 indicates the increase of domestic product's exports by 4.6% because of the increase of the Arab States' oil exports. It shows the increase of added value of industrial and agricultural sectors by 16.4% and 7.5% successively. The increase is attributed to the Arab States' dependence on oil products and other industries like steel, timber and other industries and the tendency towards applying the modern production technology and organic cultivation methods and, hence, increases the added value of industry and agriculture sectors of the gross domestic product. Finally, the growth rate of domestic product increased in all Arab States by 5.2% due to the oil production increase in the Arab oil producing countries.

Table no. 2: Economic Indicators Group:

indicator	European common market	Arab common market
gross reserves including gold	\$ U.S. 675 billion	\$ U.S. 515 billion
gross savings of gross domestic product	20.8%	33%
total national income	\$ U.S. 16082 billion	\$ U.S. 1266 billion
gross domestic product	\$ U.S. 16854 billion	\$ U.S. 1694 billion
capital percentage of gross domestic product	22%	27%
percentage of revenues (except grants) of gross domestic product	37%	36%
percentage of cash surplus or deficit of gross domestic product	9%	36%
individual per capita of total national income	\$ U.S. 43.000	\$ U.S. 15.000
balance of payment	\$ U.S. 135027 billion	\$ U.S. 16043 billion
inflation rate	3.5%	11%
unemployment rate	6.38%	13.04%
percentage of domestic product exports	48.1%	55.65%
domestic product debt	54.7%	59.3%
added value of industry sector to GDP %	26.7%	43.1%
added value of service sector to GDP %	71.5%	47.6%
added value of agriculture sector to GDP %	1.8%	9.3%
individual annual per capita of GDP (thousand US Dollars)	45.5	14.3
inter-trade exchange rate	60%	12%
growth rate of GDP	0.7%	5.9%
economic growth rate	6%	4.5%

3.3 preparatory and technical indicators group: Table no. 3 shows the preparatory and technical group represented in market establishment period, imports customs duties among member states, establishment of unified customs tariff, cancellations of quantified restrictions among member states, cancellation of restrictions on capital and individuals movement among member states, control tools of agreement terms, inter-trade among member states, unified importing and exporting policy, coordination of trade, industry and agriculture policies among member states, coordination of tax and economic legislations and financial and monetary policies, technology level, availability of new networks of air, land and sea transportation fleet, availability of good trade insurance cover among the member state's , smoothing the administrative procedures for borders crossing, availability of privileges, guarantees and incentives for foreign investment among the member states, importing and exporting goods, information liaison networks, transparency, various economies of different states, foreign debts, availability of suitable financing mechanisms, development stages of member states, good communication media, availability of unified currency, states' intervention of each others affairs, economic work neutrality, cooperation among member states and other states to enhance trade, financial markets and institutions, availability of integrative industrialization policies, suitable investment atmosphere, availability of laws, policies, and institutions that help direct investment to a state rather than another state, availability of market establishment conditions. Finally, table 3 shows clear difference between both markets estimated 100%. It is known that Arab Common Market establishment comes at an integration third stage after the free trade stage and customs union. The realization of its establishment entails the cancellation of tariff and quantified restrictions

among the member states. It also requires the cancellation of all customs duties, all quantified restrictions on goods besides unifying customs tariff towards the outside world.

Table 3 shows both stages have not been realized yet in order to activate the third stage. That is, the Arab Common Market which is characterized by the free movement of production elements (work and capital) within the market without restrictions among the member states.

Table no. 3: preparatory, technical and stage indicators group

indicator	European Common Market	Potentially established Arab Common Market
market establishment period	from March 25, 1957 and accomplished in January, 1999	from 1964 and has not accomplished till now.
importing custom duties among member states	totally cancelled	have not been cancelled yet.
unified tariff establishment	already established	has not been established yet
cancellation of quantified restrictions among member states	already cancelled	have not been cancelled yet
cancellation of restrictions on free movement of individuals and capital among the member states	already cancelled	have not been cancelled yet
control tools of agreement terms	European association, European council, European justice court, European commission	Arab economic union council, Arab monetary fund
inter-trade among member states	unified with high rates among all member states	there are bilateral agreements among some states
unified importing and exporting policy	unified	not unified
coordination of agriculture, industry and trade polices among member states	already existed	has not existed yet
coordination of tax and economic legislations and monetary and financial institutions	existed	has not existed yet
technology level	very advanced	very weak and there is no concern of elevating the technological level of most member states
new networks of air, land and sea transport	existed	have not existed yet
good insurance trade cover among member states	existed	has not existed yet
smoothing administrative procedures for borders crossing	smoothed	has been smoothed yet
privileges, guarantees and incentives for foreign investment	existed in all states	do not exist in most states and most Arab investments are directed outside the Arab world
importing and exporting goods	raw materials, half-industrialized goods, fully industrialized goods	focus on primitive raw materials and importing fully industrialized goods
exporting-oriented production	existed	surplus exporting
information liaison networks	existed	do not exist
transparency	existed	does not exist
varied economies of different states	varied	most states depend on oil and other states depend on agriculture
foreign debts	can be settled	do not have radical solution
suitable financing mechanisms	existed	do not exist and weak with low expertise
development stage of member states	roughly close	it is different. Thus, there is weak coordination between their plans and development policies
good communication media	very good	very low because of unavailability of information
unified currency	Euro	various currencies
states' intervention in each other affairs	do not exist	existed
economic work neutrality	political relations do not affect economic work	political relation affect economic work and so do the political leadership change
cooperation among member states and other states to enhance trade	existed	there competitiveness instead of cooperation
financial markets and institutions	strong	weak and unable to implement their economic tasks
industrialized integrative policies	existed	do not exist
suitable investment atmosphere and laws, policies and institutions that help direct investment to a state instead of another state	available	unavailable
availability of market establishment conditions	available	unavailable

4. expected impact resulted from implementing potential economic integration stages on trading most Arab agricultural goods: Arab total trade reached about \$ U.S. 1276.8 billion as the Arab agriculture foreign trade represents 4.9% and food trade represents 3.9% of Arab total trade in 2012. The agricultural trade volume reached about \$ U.S. 63.2 billion as agricultural imports represent 78% while agricultural exports represent 22%. Total food trade reached about \$ U.S. 50.1 billion as food imports represent 79% while food exports represent 21% in 2012 (Arab Organization for Agriculture Development). Table 4 shows the self-sufficiency rate reached about 48.9%, 63.6%, 79.5%, 69.7% and 29.1%

Table no. 4: Arab trade and production of the most important agricultural goods in 2012

Amount = million tons

Goods	production	exports	imports	Consumption	% of self-sufficiency	% of inter exports	% of inter-imports
Grains	50.1	3.3	55.5	102.4	48.9	50.4	2.9
legumes	1.4	0.444	1.2	2.2	63.6	31.2	96.2
Meat	7.0	0.090	1.7	8.8	79.5	61.5	2.1
Dairies	24.6	1.9	12.6	35.3	69.7	22.5	1.8
sugar	3.0	1.5	9.4	10.3	29.1	24.4	30.7

Source: computed and collected from World Bank data statistics

For grains, legumes, meat, dairies and sugar each successively. The rates of inter imports and inter-exports are 2.9%, 96.2%, 2.1%, 1.8% and 30.7% of total Arab imports and 50.4%, 31.2%, 61.5%, 22.5% and 24.4% of total Arab exports for grains, legumes, meat, dairies and sugar each successively.

4.1 Expected effect of establishing free trade zone and customs union: The cancellation of tariff, quantified restriction and all customs duties among the member states will lead to increasing the Arab inter-trade by transferring the Arab exports trade from outside the Arab region into within it. Therefore, Arab imports volume will decrease to equal the Arab exports volume. The decrease rates reached about 5.9%, 37%, 5.3%, 15.1% and 16% for grains, legumes, meat, dairies, and sugar respectively. The self-sufficiency rates increases to 50.6% for grains, 79.7% for legumes, 80.4% for meat, 73.7% for dairies, and 34.1% for sugar. Finally, the total Arab imports value of the selected goods decrease by about \$ U.S. 2.1 billion while the food balance deficit decreases by 7.2%.

Table no. 5. Expected effect of establishing free trade zone and customs union

Amount = million tons

Value = million dollars

Goods	imports	% imports Reduction	% self-sufficiency	Importing ton price	Imports value
Grains	52.5	5.9	50.6	241	795.3
legumes	0.756	37.0	79.7	499	221.6
Meat	1.61	5.3	80.4	1725	155.0
Dairies	10.7	15.1	73.7	358	359.9
sugar	7.9	16.0	34.1	361	54.1

Source: computed and collected from World Bank data statistics

4.2 Expected effect of establishing the Arab Common Market: The unrestricted movement of production elements within the market [work- capital] among the member states will have several positive effects. It will contribute to transferring capital necessary for the production of agricultural projects and using the latest developments. It will transfer technology which contributes, in turn, to reducing the unemployment rate estimated 13% in the Arab world (The World Bank's Website) and increase the agricultural product and consequently increases the domestic product and national income. It will contribute to transferring the agricultural work to cultivating the unused arable lands estimated by 18.9 million hectares in the Arab world (Arab Organization for Agriculture Development). This will help reduce the agricultural unemployment in the Arab world estimated by about 4 million agricultural workers (The World Bank's Website).

Table no. 6: Expected effect of establishing the Arab Common Market

Area = million hectares

Amount = million tons

Value = million dollars

Goods	area	Total production	consumption	% self-sufficiency	% imports Reduction	Importing ton price	Total Imports value
Wheat	11.6	45.8	49.0	93.5	82.9	253	5793.7
Maize	1.6	15.0	20.9	71.8	55.9	194	1455.0
Barley	6.7	8.8	14.9	59.1	41.9	186	818.4
sugar	0.417	6.0	10.3	58.3	34.5	390	1170.0

Source: computed and collected from World Bank data statistics

The uncultivated areas could be cultivated with crops of wheat, maize, barley and sugar because of their reduced self-sufficiency rates when compared to other crops. Crops differ in their seasons as there are some winter crops and others are summer crops. Therefore, the mentioned areas could be cultivated in winter and summer. Table 6 shows the cultivation of wheat, maize, barley and sugar crops could be cultivated as the same as the areas of cultivated lands. Thus, total production and self-sufficiency rates will increase by 93.5%, 71.8%, 59.1% and 58.3%. Their imports will successively decrease by 82.9%, 55.9%, 41.9% and 34.5%. Finally, production increase will reduce food imports value by \$ U.S 9.2 billion and hence reduce food balance deficit by about 20%.

4.3 Expected effect of establishing economic union and economic integration: This will lead to the realization of targeted organization and coordination among the general policies of member states in one agreement. It will achieve one political unity to which all member states adhere. Therefore, the economies of member states will become one economy and Arab states will be governed by one varied policy as a higher authority. Its economic decision will have the binding power for all member states. This should be done through the Arab league. 5. Results and recommendations: The most important results are: the difficulty of establishing the Arab Common Market in the case of maintaining the current social, economic and political circumstances without changes in the Arab world, despite the availability of all fundamentals necessary for establishing this market in the Arab world. The study has clarified that the Arab targeted integration has several positive effects such as transferring the Arab trade from outside the Arab region into the Arab region. This will consequently lead to increasing the Arab inter-exports and hence reducing the Arab imports and the food balance deficit. In addition, among the other most important positive effects is the reduction of unemployment rate in the Arab world because of investing the transferred capital into different projects and the reduction of Arab agricultural unemployment resulted from cultivating the arable unused lands with strategic crops whose domestic consumption depends on foreign imports. Therefore, production volume and self-sufficiency rate will increase whereas Arab imports of these goods and food balance deficit will be reduced.

The most important recommendations of the study are: the necessity of activating the Arab league's role to socially, economically and politically unify the Arabs as one entity. The entity will act as the main engine for all political and economic decision in the Arab world and its decisions will be binding for all Arab states. The realization of Arab economic integration is the most important decision which the Arab world should adopt quick steps to realize, particularly, the whole world is experiencing several crises which have negative effects on the Arab economy and their subsequent increase of political and economic dependence of the Arab world states. Integration requires eliminating all political differences among the Arab states besides spreading the political and cultural awareness of the importance of politically unifying the Arab states in order to impede other obstacles. The Arab economic aspects are the most important obstacles. This needs the economic equality among the Arab states to realize the Arab Market as one of the Arab integration fundamentals. In addition, the Arab states should first collectively participate in awakening the economies of the most-poor Arab states then the less-poor states in order to achieve the cherished economic closeness in the Arab world. Hence, the first integration stage could be realized. That is, the establishment of free trade zone. After ensuring the success of establishing the zone, the Arab league can move to activate the second stage and so on till completing the different stages of integration.

6. Summary

The study is mainly an attempt to answer the raised question of the potential extent of establishing and activating the Arab Common Market as one of the Arab economic integration. First, identifying certain concepts related to economic integration and its various stages while focusing on the Arab Common Market and the European Common Market. Second, studying the number of economic indicators which characterize the European Common Market and comparing them to their counterparts in the Arab states to judge the possible extent of establishing the targeted market. These indicators can be restricted into three types. The first type is concerned with general indicators; the second indicator pays attention to a number of economic indicators while the third type focuses on a number of technical and preparatory indicators. The study of general indicators group shows the total population is relative where it increases in the case of European Common Market by about 25.6% over the potential Arab Market. That is, the relative percentage does not exceed 7.1% between the two markets. However, the different percentage between both markets reaches about 92.2% out of the total general indicators group numbered as 14 indicators. The study of economic indicators and preparatory and technical groups shows the discrepancy rate of both markets in the selected indicators is 100%. Finally, the study has clarified the positive effects resulted from cherished and targeted economic integration on the trade of the most important Arab agricultural goods. The most important results are the difficulty of establishing the Arab Common Market in the case of maintaining the current social, economic and political circumstances without changes in the Arab world. It is necessary to activate the Arab league's role to socially, economically and politically unify the Arabs as one entity. The entity will act as the main engine for all political and economic decision in the Arab world and its decisions will be binding for all Arab states. Integration requires eliminating all political differences among the Arab states besides spreading the political and cultural awareness of the importance of politically unifying the Arab states in order to impede other obstacles. The Arab economic aspects are the most important obstacles.

This needs the economic equality among the Arab states to realize the Arab Market as one of the Arab integration fundamentals. In addition, the Arab states should first collectively participate in awakening the economies of the most-poor Arab states then the less-poor states in order to achieve the cherished economic closeness in the Arab world. Hence, the first integration stage could be realized. That is, the establishment of free trade zone. After ensuring the success of establishing the zone, the Arab league can move to activate the second stage and so on till completing the different stages of integration in the shape of European Market experience.

References

1. Al Ghouneim, Khaled, (1975) "Economic Integration among the Arab States," First Conference of Arab Economists, Baghdad, pp.214-220
2. Arab Organization for Agriculture Development,(2012),Statistics Data, pp 412-416.
3. Arykat, Moussa,(2000) "Arab Economic Integration and Challenges of Globalization Phenomenon," Arab Economic Researches, year (9), Vol. (20), p.67
4. Bela,Balassa,(1961) "The Theory of Economic Integration," Richard D. Irwin Inc Homewood Tllions, p.197
5. Friz,Machlup, (1977) "A theory of thought on Economic Integration," The Macmillan Ltd Press London, p.231
6. Hegazy El-Mourssi,(2002) "Evaluation of Arab Common Market Experience," Arab Common Market Symposium: Arab Beirut University, Tripoli on March 22, p.89
7. Kenawy,Ezzat,(2008) "Unified Gulf Currency as Compared to Euro," Contemporary Egypt Journal, Egyptian Association for Political Economy, Statistics and Legislation, Vol. 490, April 14, p.144
8. Lotfi,Ali,(1977) "Arab Capitals and the Possibility of Establishing Arab Economic Integration," Scientific Periodical for Trade and Economy, Faculty of Commerce, Ain Shams University, p.88
9. Rasheed,Hemad,(1977) "Arab Economic Integration" Arab Planning Institute, Kuwait, pp.114.127.
10. Ryaid Elfaras : Arab economic integration: reality and ambition, the Arab Economic Summit, Cairo, 2009
11. Salah Eldeen hassan El Sissy: The European Union and the "euro" and the Arab common market, Book house, Cairo 2003.
12. Slieman El Manzery : Arab common market in the era of globalization Madboly Library, Cairo 1999.