

The Importance and Components of Economic Cooperation among Red Sea Countries

Abstract

In an era marked by interconnectedness and global interdependence, the Red Sea region stands as a pivotal nexus linking diverse nations with shared opportunities and challenges. The importance of economic cooperation among Red Sea countries cannot be overstated, as it not only holds the potential to bolster individual national economies but also to foster regional stability, enhance sustainable development, and create a pathway towards mutual prosperity. This strategic waterway, teeming with economic potential, serves as a conduit for trade, investment, and collaboration, urging nations along its shores to recognize the mutual benefits of collective economic endeavors. In this dynamic context, fostering collaboration among Red Sea countries emerges not only as an economic imperative but also as a diplomatic and geopolitical necessity, reflecting the growing recognition that shared interests transcend national borders and can be best pursued through collective action. This paper offers a general literature review on the topic of the importance and components of economic cooperation among Red Sea countries. This literature review synthesizes existing research on the importance and components of economic cooperation among Red Sea countries. The Red Sea region, characterized by its strategic geopolitical position, is home to a diverse group of nations with unique economic challenges and opportunities. Scholars have extensively explored the potential benefits of fostering economic collaboration in this region, emphasizing the crucial role it plays in promoting regional stability, sustainable development, and mutual prosperity.

Keywords

Collaboration, Economic cooperation, Growth, Red Sea.

Introduction

In the contemporary world, we are witnessing an era of significant economic blocs, prompting countries to seriously consider the necessity of establishing economic cooperation. This cooperation, whether on a united or regional level, is viewed as a pathway to economic development. Moreover, it is both a worldly and a legitimate demand, as Allah encourages Muslims to cooperate in righteousness and piety. Economic strength is a religious requirement and is built on a solid economic foundation. Economic cooperation is considered one of the essential elements of economic power, leading to economic integration, which represents a deeper stage than economic cooperation. Regarding the Red Sea countries, they are characterized by vast geographical expanse, overlooking the world's most important seas and oceans. These countries have connections to the West through the Red Sea, the Mediterranean, and the Atlantic Ocean, as well as ties to the East through the Pacific Ocean. The countries in the Red Sea region have access to critical international waterways such as the Bab el Mandeb Strait, the Suez Canal, and various climatic and environmental diversities. The topic of economic cooperation among nations is one of the fundamental pillars for establishing an economic system based on justice, equality, and fairness. After the failure of the traditional economic system in solving the problems of economic underdevelopment, international blocs emphasize the importance of economic cooperation politically and economically. This is seen as a crucial step toward achieving collective self-reliance. Economic cooperation is considered one of the most important factors for the success and prosperity of the global economy. Its significance is evident in the following aspects:

- Each country benefits from the advantages offered by other countries, as nations cannot meet the needs of their societies relying solely on local resources.
- It enables the utilization of resources from different countries effectively, with the goal of exporting them to other parts of the world.
- It serves as a direct means of enhancing international relations by connecting countries together.

- It contributes to providing many services and goods by relying on the principle of specialization, which offers products at lower prices.
- It supports marketing capabilities by creating numerous new markets for diverse products.
- It facilitates the improvement of societal well-being by providing a variety of products, offering individuals diverse choices for consumption and investment.
- It is classified among the most important indicators for measuring a country's capabilities in competing and marketing products and production in global and international markets.
- It assists countries in building strong economic systems that promote sustainable development by providing essential information and appropriate technological means.
- It supports economic development by contributing to the growth of national income, improving the development of each country.
- Economic cooperation motivates efforts to establish regional and sub-regional projects, expand trade, and enhance production.
- It promotes the principle of collective self-reliance to overcome obstacles posed by advanced countries and international institutions, supporting less developed nations.
- It enhances the negotiating position of member countries in international forums through economic cooperation.
- It provides an additional economic incentive between member countries, establishing economic, industrial, and trade institutions and facilitating necessary facilities to strengthen economic relationships.
- It serves as a vital means to help less developed countries implement fundamental and urgent economic programs within the economic bloc.
- It enables more affluent countries in the bloc to play a supportive role and provide assistance to achieve the goals in this field.

- It reinforces the role of major institutions within the bloc in providing aid, enabling wealthier countries to achieve their objectives in this area.
- It also reinforces economic measures, facilitating the establishment of economic, industrial, and trade institutions and providing necessary facilities to enhance economic relationships.
- It serves as a significant means to assist less developed countries within the economic bloc in implementing their basic and urgent economic programs.
- It enables institutions in the more prosperous countries within the bloc to play a charitable role and provide assistance, allowing wealthier countries to achieve their objectives in this field.
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- It strengthens economic relationships between member countries, with each country importing what it lacks from others, thereby reinforcing political ties.
- It also strengthens cultural and civilizational ties between member countries.

Components of Economic Cooperation Among Red Sea Countries

Many factors drive the establishment of an economic entity among the Red Sea countries, making it one of the strongest economic blocs at the regional and international levels. This is especially true if it effectively utilizes its human and material resources. Among the key components of economic integration available in the Red Sea entity for achieving economic unity and creating a suitable framework for comprehensive development are as follows:

First: Religious and Ethnic Nature

The Red Sea countries are Islamic Arab nations, which strengthens the factors of cooperation and integration among them. This is a result of two fundamental elements: the principles established by the Islamic religion, including the principle of cooperation, as mentioned in the Quran. Additionally, one of the distinctive characteristics of Arabs is their sense of solidarity and providing assistance to others.

Second: Strategic Geographic Location:

The Red Sea countries occupy an excellent geographical location, which is of great significance to the economy. They are positioned centrally among three continents: Asia, Africa, and Europe. They overlook the world's most important seas and oceans and supervise two crucial waterways, the Bab el Mandeb Strait to the south and the Suez Gulf to the north. The distance between these two waterways constitutes the shortest route connecting Europe with the countries of South and Southeast Asia. Additionally, one of the world's major rivers, the Nile River, flows through this region. The terrain features waterfalls that allow the generation of massive hydroelectric power. The sunny climate throughout most of the year enables the production of vast amounts of solar energy.

Third: Natural Resources

The Red Sea countries are characterized by abundant natural resources, including vast oil reserves and natural mineral deposits within their territories. They possess approximately 1.73% of the world's crude oil reserves, producing around 5.38% of global output. Petroleum is considered one of the most important exports of Arab countries. Moreover, they hold about 7.39% of the world's natural gas reserves.

Fourth: Agricultural Resources and Animal Wealth

The Red Sea countries have extensive fertile agricultural lands, providing a suitable foundation for the development of advanced industries crucial for these nations. This is essential for improving their economic situation, especially in terms of food security. The availability of these resources is one of the key conditions for the success of any economic integration.

Fifth: Availability of Human Resources

Having a sufficient number of human resources is one of the essential components of economic prosperity, especially within economic blocs. The population density, particularly the educated and scientifically trained workforce, contributes to economic prosperity. By the end of 2019, the population of the Red Sea countries reached approximately 800 million people, a number sufficient for the region's self-development. This population meets an important condition for successful investment, providing a minimum threshold of skilled and trained labor. Additionally, labor costs are generally lower in most Red Sea countries, which is a significant factor in the labor market, overcoming a major obstacle posed by higher wages in major industrialized countries with low population density.

Sixth: Availability of Enormous Capital

Capital plays a pivotal role in the success of any economic activity, with financial liquidity being the primary gateway to economic prosperity. The Red Sea countries benefit from significant capital, attributed to various sources, including the substantial revenues from oil and gas, as well as the industries associated with them. Additionally, revenues from agricultural products and animal wealth contribute to this capital. Directing these funds towards investment in member countries will contribute to the region's development.

Seventh: Broad Market of the Red Sea Countries

Extending from the Arabian Gulf in the east to the countries of East Africa in the west, and from the Mediterranean Sea in the north to the Indian Ocean in the south, the region covers an area of approximately 6,170,000 square kilometers. It possesses all the economic criteria that make it an exemplary market, hosting more than 250 million consumers. This enables the implementation of large projects that lead to increased production, consequently elevating the individual's standard of living (*c.f.* Jawad, 2011).

Cocnclusion

In conclusion, the imperative for economic cooperation among Red Sea countries transcends individual national interests, emphasizing the interconnectedness that defines our contemporary global landscape. As the waters of the Red Sea continue to serve as a conduit for trade, innovation, and shared progress, the collective potential of nations along its shores becomes increasingly evident. A commitment to sustained economic collaboration holds the promise of unlocking newfound opportunities, addressing common challenges, and fostering a resilient foundation for regional stability. Through shared endeavors and mutual understanding, the Red Sea countries can build a future characterized by economic prosperity, sustainable development, and strengthened diplomatic ties, exemplifying the transformative power of unity in the pursuit of shared goals. The importance of economic cooperation in this strategic region not only reflects an economic strategy but also a visionary approach to building a more interconnected, harmonious, and prosperous future for all involved.

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