***Middle East***

Economic Characteristics

* Major producers of world’s oil
	+ Persian Gulf states are the world’s leading oil producers
	+ Major oil-producing countries:  Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Bahrain
* Heavy reliance on primary economic activity (oil drilling, agriculture, pastoralism)
	+ Primary sector jobs typically earn less money
	+ Government officials and oil companies are usually wealthy
	+ Majority of people live in poverty in many Middle Eastern countries
	+ Agricultural activity is limited by climate
	+ Pastoralism practiced is some areas (herding of animals)
* Oil revenues—Positive and negative effects
	+ Oil revenue in many oil-rich countries is not used to develop infrastructure or other industries
	+ Many Middle Eastern countries are completely dependent on oil
	+ If you don’t count oil, the total production of the entire Middle East would be less than that of Finland
	+ Lack of diversity in economy limits development
* Water—The region’s most precious resource
	+ Much of the Middle East is arid or semiarid
	+ Populations centered around water resources
	+ Rivers used extensively for irrigation (Jordan, Tigris, Nile, etc.)
	+ Dams cause tremendous controversy
		- Turkish dams on the Tigris and Euphrates
		- Aswan High Dam displaced thousands of people
* Great variation in standard of living—Ranging from relatively high to poverty-stricken
	+ Israel is a developed country, though many Palestinians live in poverty
	+ Smaller oil-rich states have wealthy areas, but many outside the oil industry remain poor
	+ Per capita GDPs in much of the Middle East are well below average
* Regional conflicts, political unrest that affects tourism
	+ Many famous places of historical or religious significance
	+ Examples:  Dome of the Rock, Church of the Holy Sepulcher, Western Wall, Temple at Artemis, Great Pyramids, Cairo Museum, Abu Simbel, Kaaba, Hagia Sophia, Mount Ararat, Capadoccia, Petra, Mt. Sinai
	+ Many people afraid to visit these sites because of political instability, violence, and terrorism
* Aswan High Dam—Positive and negative effects
	+ Flooding upstream of the dam
		- Lake Nassar formed
		- Thousands of Nubians displaced
		- Temple of Abu Simbel had to be moved to a higher elevation
	+ Controls flooding downstream of dam
	+ Agricultural production 30 times more than before dam was built
	+ Blocks flow of silt; more commercial fertilizers needed; pollution
* Suez Canal—Enhanced shipping routes in the region
	+ Connects Mediterranean Sea with Indian Ocean (via Red Sea)
	+ France and other Europeans convinced Egypt to allow construction
	+ Most of the work was done by poor Egyptians, some without being paid
	+ Controlled by United Kingdom for many years
	+ Opened in 1869
* Guest workers
	+ In many oil-rich Persian Gulf states the majority of the population is made up of guest workers who work for the oil companies
	+ These workers are not citizens so they cannot vote (although many officials aren’t elected anyway in these countries)
* Trade important to region from earliest times
	+ Lack of various resources makes trade very important
	+ Regions must make the most of economic activities in which they have a comparative advantage
	+ Great Silk Road connected the Middle East with the Far East
	+ Coffee, ceramics, Persian carpets traded for centuries
* Wide range of per capita income and levels of development
	+ Oil-rich states have very high average incomes
	+ Most Middle Eastern countries are very poor
	+ Literacy Rate:  63%
	+ 5 of the world’s 11 most repressive governments are in the Middle East
	+ None of the Middle Eastern countries are considered “free”
	+ Internet subscribers per 1 million people:

        --United States:  194,000

        --Middle East:  6

* + Israel is often considered to be the only developed country; oil-rich countries often are underdeveloped, as oil profits haven’t helped other industries
* Contemporary trade routes (sea lanes)
	+ Persian Gulf and the Strait of Hormuz are extremely important oil-shipping lanes

        --Iran has threatened to close the strait of Hormuz

* + Suez Canal makes shipping to Europe much easier
* Organization of Petroleum Exporting Countries (OPEC)
	+ Economic union that operates as a virtual monopoly in the oil industry
	+ Work together to control oil prices
	+ Includes much of the Middle East, Venezuela, and Indonesia