

Facets of Arab Culture: Implications for Business

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Abstract

This article constitutes part of a broader research, which focuses on the historically shaped social/cultural relations of the Mediterranean people and on the distinctiveness of the Arab cultural identity. Throughout this study, dichotomies and dilemmas confronting Arab culture are presented. Islamic religion encompasses all aspects of human life of Arab people, including the economic one. Business principles prescribed by religion and culture focus, among others, on honesty, equitable distribution of goods and resources, and encouragement of private initiative. Emergent globalization has led to the strengthening of ties within business community, but on the other hand the schism between the Arab culture and the western one remains unabridged.

Keywords: Arab culture, Arab business, Islamic values

Introduction

In the last decades Arab theorists and intellectuals have sought to explain the Arab plight by focusing on the Arab culture, but their views are often in contradiction. Some have attributed the Arab plight to the loss of religious faith and to the return to the *Jahiliyya* (a *Quranic* concept indicating the pre-Islamic period of ignorance). Some others have pointed to the centrality of religion upon the lives of Arabs, to the absence of scientific-oriented rationalism, to the dominance of traditionalism over creativity and modernity and to the prevalence of a traditional mentality. Islamic religion encompasses also business, while profit and moral life are not considered incompatible. The bulk of *Quran* is devoted to social and economic rules of conduct. The Holy Book contains ample references to business practices, including the right to own a private property and the imperative to work. Restrictions are set, however, with regard to wealth accumulation, honesty in business transactions, gambling, and usury.

Emergence of globalization has deeply affected Arab culture. It is not necessary anymore for people to migrate in order to interact. Arab businessmen often appear willing to participate in international joint ventures and to invest in profitable enterprises abroad. The *Quran* encourages mutual understanding and communication of Muslim populations, as God says:

"O mankind we created you from a single pair man and woman and made you into nations and tribes for you to understand one another" (*Quran*, 49: 13).

Therefore, Islamic religion recognizes cultural diversity and differences. Moreover, the concept of *Umma* prescribes for an ideological unity of Muslims, which is to be achieved by abolishing national and political boundaries. Arabs are entitled to travel to all Muslim areas without necessarily having to provide a passport or visa to authorities of the receiving country. Nevertheless, in our days westernization of politics in Arab countries has set the institution of *Umma* into inertia. Mistrust of authorities has surged in the recent years, resulting in the transformation of whole Arab regions into ghettos. Globalization trend has allied Arab populations, but on the other hand paradoxically led to their further estrangement from the western culture and values. Cultural gap seems to be widened by stereotyping and the ensuing mutual condemnation of cultural symbols and rites of each side (Hamada, 2001).

Methodological Approach

Influenced by concepts of cultural sociology, some western and Arab sociologists and anthropologists have stood on diverse grounds in an attempt to discern the configuration and the characteristics of Arab culture. For example Raphael Patai (1976) followed a rather static approach emanating from antagonistic attitudes towards the Arabs in the context of power relations and Western domination, or what Franz Fanon and Albert Memmi (1977) called colonizer-colonized relations. Others, such as Sonia Hamady (1960) have adopted a rather westernized viewpoint, while others, following El-Sayyid Yassin (1981), have been oriented to an Arab nationalistic framework and have followed a dialectical approach.

In our view, a valid approach to the study of Arab culture is to examine Arab value orientations in their social and historical context. Thus, culture might be viewed as an intervening variable between the general order and social structure on the one hand, and actual behavior in everyday life on the other. That is, culture is seen as emerging out of a certain social reality. It is intended to regulate human relationships and actions, particularly with respect to maintaining or changing the prevailing order of things:

People do not build lines of action from scratch, choosing actions one a time as efficient means to given ends. Instead, they construct chains of action beginning with at least some pre-fabricated links. Culture influences action through the shape and organization of those links, not by determining the ends to which they are put (Swidler, 1986, p. 277).

On the other hand, values may be defined as beliefs about desired or preferred objects, goals and forms of human behavior. Values also are intended to regulate social relations, and to define the meaning of human existence. According to Parsons (1951), values are immanent in social systems. Social systems exist in order to materialize their core values, and values account for the different choices of different social actors in similar situations. Values either tend to justify human actions and to facilitate adjustment to a given reality or to expose problems and instigate changes to rectify them. Values then are relative (multifarious in their sources and functions), and conflicting, in a state of constant becoming. Value orientations in Arab society differ according to social class, patterns of living, social affiliations, isolation or exposure to the outside world etc. Comprehensive examination reveals conflicting value orientations in contemporary Arab culture. List of these characteristics couldn't be exhaustive, but may help to spotlight the essence of contemporary Arab culture as follows: fatalism versus free will, conformity versus creativity, past versus future orientation, culture of mind versus culture of the heart, form versus content, collectivity versus individuality, open versus close-mindedness, obedience versus rebellion, charity versus justice, and secularism versus theocracy.

Fatalism versus Free Will

Western scholarship has reached at an almost unanimous conclusion, that the Arab World, in contrast to the West, views the universe (including human life) as having a predestined course. Hamed Ammar (1964: 136), the prominent Egyptian anthropologist, endorsed this argument stating that «the villager's apparent happiness comes from his sense of resignation regarding things as they are. This contentment derives from his acquiescence in what has been ordained by God and cemented by tradition». To this direction Morroe Berger (1964: 133) remarked that «political quietism has been another fact of behavior through which Arab society has expressed its tenacious refusal to confront the unknown, to challenge fate or the predetermined order of things».

Raphael Patai also made assertions about Arab fatalism, seeking evidence in concepts and proverbs emanating from Arab Culture. He recalled the occasional

invocation of God's name in Arab Culture, as in the exclamations «*Bismi Allah*» («in the name of God»), «*in sha'a Allah*» («if God wills»), and «*Allah Kareem*» («God is generous»), and cited concepts like *Kismet wa nasib* (one's lot and luck), *Bakht* (lot), and *Maktub* (predestined) as reflecting beliefs in predestination. Patai (1976: 150-151) pointed to character traits closely related to fatalism, such as improvidence: «For the tradition - bound Arab mind .. there is even something sinful in engaging in long - range planning, because it seems to imply that «the improvidence of *the fellah* has been for centuries a contributing factor to their impoverishment”

These stereotypes, however, can be contradicted by other proverbs and common sayings, which have been disseminated within the Arab domain. In fact Arab culture contains a repertoire of proverbs asserting human free will and responsibility. By way of illustration, for instance, the following proverbs may be considered: «Whoever toils will achieve»; «Livelihood is management»; «The one who does not sow does not harvest»; «Hope without effort is a tree without fruit»; «Only he who goes to the market will buy and sell»; «Don't blame anyone except yourself”; «think things out first and then rely on God».

Conformity versus Creativity

G.E. von Grunebaum (1961: 67) stated that originality is not as highly prized in the Arab culture as in the west: «The Arab's unimaginative mind and his sober realism, his powers of accurate observation, his exactitude are all accommodated by the pattern of Islamic civilization». The formation of the religious approach is repeated in literature, even in science. Throughout the golden era of Arabic literature the critics had placed verbal perfection above poetical originality. Inherited forms are faithfully preserved. Similarly, Morroe Berger (1964: 155) observed that conventional speech, by «providing ready- made phrases, obviates the need for thought and originality, and encourages the treatment of every situation in a traditional, familiar manner”. Muslim fundamentalists themselves have argued that creativity is a characteristic of God rather than of human beings, who are considered unable to make something out of nothing: «So every innovative idea (*ibda*) is a kind of misguidance (*dalal*) that deserves severe punishment» (Adonis, 1977: 12).

It seems that there has been constant struggle within Arab Culture between creativity and conformity, modernity and tradition, what has been called the battle of the old and the new. These two opposing trends are manifested in many aspects of Arab life. From the religious to the political, from the ideological to the literary aspects of Arab history, there has been a modernist trend that rejected prevailing traditions and static values. This creative trend aspired to change the world and to create a new mode of thinking as well as new forms of expression.

This struggle has been ignored by the mainstream of Western scholarship, Western theorists focusing mostly on the conventional facet of Arab society and on its emphasis on conformity rather than on creativity, or on *naql* (traditional - authoritative transmission) rather than on *aql* (reasoning). One-sided Western treatment thus ignores what is most essential about Arab culture, particularly in transitional periods, namely, cultural conflict, or the battle between the old and the new. One trend or another may prevail in any given period, but the whole process itself is constant and developmental.

Past - Oriented Versus Future - Oriented Values

Another debate has to do with the differences between the ones who claim for the revival of early Islamic values, and those who call for liberation from traditional values. The latter are in favor of a search for a new cultural model, to be based on the dynamics of the present reality and shaped by aspirations for the future. Four distinct orientations seem to have emerged out of this debate. Besides the *salafiyya* movement (the past - orientated traditionalists) and the future - oriented modernists, there are those who try

to reconcile the old and the new, as well as the eclecticists who willingly adopt Western values and living style. The Moroccan thinker Abdallah Laroui (1976: 153-154) has classified intellectuals into these two categories. Most of them, he observed, "profess a traditionalist rationale; the rest profess eclecticism. Both trends fail to see reality and fall victim to a historical thinking". Similarly, Adonis (1976: 9-11) noted that the principle of modernity is the struggle between the *salafiyya* (established order) and the desire to change that order. Arab modernity was born historically out of the interaction between these two mentalities. The movement to reconcile *salafiyya* and modernism is often overlooked, despite the fact that it has always represented a significant trend in Arab culture. This movement has attempted to continue to combine authenticity with modernity by reviving sound elements of Arab heritage and by maintaining an open mind on development of other cultures:

(Cultural transformation) "should strive to realize a positive integration of Arab Values: rationality in the broadest sense of the word...; a genuine sense of identity springing from the discovery and the incorporation of the abiding contributions of the Arab heritage; the diffusion of intellectual and cultural values among the masses of the population; and a yearning to contribute creatively to the enrichment of human life as a whole (Zurayk, 1966, p. 94).

It is pertinent to note here that renewed interest in cultural authenticity has emerged since the wake of the Islamic revival of the 1980s.

Culture of The Mind Versus Culture of The Heart

Another oversimplified analysis offers a dualistic approach of culture that draws pronounced contrasts between mind and heart, reason and faith, spirit and matter. From this perspective, Arab culture is alternatively characterized as a culture of the heart, the spirit, or the faith. In contrast, Western culture is designated as being one of matter, mind, and reason.

The prominent Egyptian writer Toufic al - Hakim (1933: 44 - 55) has argued that Egyptians «know a great deal, but they know it in their heart and not in their mind» and «the only power of Europe is in the mind... whereas the power of Egypt is in the bottomless heart". Similar contrasts were drawn by the renowned Iraqi poetess Nazik al - Malaeka who refused to provide a definition of Arab rationalism, pointing out that:

The search for definitions came to us from... Europe where thought is built on doubt... as for us in this Arab East, we possess such an abundance of spirituality and emotion as well as of pure faith... that we have always passively accepted great facts without discussion or attempt at definition. This is at the base of our eastern wisdom. No, we have not attempted to define things like «God», «Arabism», «beauty», «spirit», «super - natural», and «emotion». We have not attempted to do so until the coming of modern times, which, delivered the guidance of our thinking to doubting Europe (al - Malaeka, 1960: 1).

Other Arab intellectuals (including Nassif Nassar, Hisham Sharabi, Zadek Jalal al Azm, Adonis, Abdallah Laroui, etc) perceived this attitude to be at the root of Arab underdevelopment and failure. They viewed rationalism as a prerequisite for achieving the Arab renaissance. This trend has been followed by generations of intellectuals since the middle of the nineteenth century.

Form Versus Content

Arab culture is often characterized as emphasizing form or word at the expense of content and meaning. Jacques Berque (1964: 51) observed that "Arab language scarcely belongs to the world of men; rather, it seems to be lent to them, and that Arabic writing is «more suggestive than

informative». Hourani (1970: 1) also underlined that Arabs are «more conscientious of their language than any people in the world». Patai (1976, 48-49, 211) stressed that «to the Arab mind, eloquence is related to exaggeration», «the Arabs were always poetic nation», and «rhetoricism is very important in the Arab model personality». Such statements illustrate a particular relationship of Arabs with their language. Shouby's contribution (1951: 291) is worth of reference to this end. According to him, the Arab linguistic model is dominated by «overemphasis on the psychological significance of the linguistic symbols at the expense of their meanings; stereotyped emotional responses, over - assertion and exaggeration».

Elsewhere, Shouby (1951: 295) argued that «the tendency to fit the thought to the word... rather than the word to the thought, is a result of the psychological replacement of the thought by words, the words becoming the substitutes for thoughts, and not their representative».

A more appropriate point, however, is that Arab language lends itself to all sorts of writing styles. Most successful Arab writers accept the classical definition of eloquence as meaning that «what is brief and denotative» (*al - balagha hiya ma qualla wa dalla*).

Collectivity Versus Individuality

Anthropologists have pointed out that collectivity rather than individuality serves as the unit of, and the source of the dominant value orientation in Arab society. Sherabi (1988: 26) stated that «a highly distinctive feature of Arab society is the continuing dominance of primary group relations. Entering into these relations means that individuals engage in unlimited commitments to the groups». He further argued that: «this kind of relationships enhance the affiliation to the tribe, neighborhood, community, village, sect, and so forth...and this affiliation is detrimental for the independent thinking and achievement» (Sherabi, 1988: 38).

In fact, individuals in Arab society are exposed to immense family and community pressures, and to constant interference in most private aspects of their personal life. Demands for conformity are likely to undermine individuality, the formation of independent views and self - expression. So profound a gap has resulted between the private and the public in many Arab countries, that two completely separate behavioral realms have created: what we might call «above - ground», that is behavior which takes place in the realm of public life, while «underground behavior» occurs in the privacy of one's home. Stringent demands for strict conformity to religious traditions largely enhance this dichotomy.

Gert Hofstede (1991) has introduced the cultural dimension of *Individualism*, which stands for a preference for loosely knit social framework in society in which individuals are supposed to take care of themselves and their immediate families only, as opposed to *Collectiveness*, which stands for a tightly knit social framework in which individuals can expect their relatives, clan, or other-in-group to look after them, in exchange for unquestioning loyalty. Measurement showed that Arab countries stand somewhere in the middle, but other Muslim countries such as Pakistan and Indonesia gathered a very high score.

Open - Mindedness Versus Closed - Mindedness

Arab culture at present is essentially a product of its own interaction with other cultures. In the past, it represented a delicate fusion of Arab-Islamic culture with ancient civilization. Modern history has witnessed a dialectical interaction with Western cultures. One outcome of these forms of interaction has been the emulation of the advanced culture of conquerors. An opposite mental response has been to reject the invading culture and to seek refuge in the revival of the past. In between these «two opposed alternatives, there has been

some significant process of acculturation and transformation emanating from new realities and changing needs» (Hourani, 1970: 29).

In studying Arab - Western polarities, Sherabi (1970: 33) found that dualities fostered by this process have been too strong to be overcome by modernization. «On the one hand, openness to the West has resulted in the creation of some islands of *tamaghrub* (Westernization). On the other hand, escape into the past and mere reaction to Western dominance produces fundamentalism rather than genuine transcendence». Similarly:

There is an implicit dogmatism that moves the conflicting horizons of Arab Mind... Arabs tend to accept what they have most recently discovered warmly and enthusiastically. If they opt for modernity, then everything else becomes the target of their disdain. If they become revolutionaries, then there is no place for anything but revolution. If they become critical, every constructive suggestion with the regard to the future is dismissed as irrelevant... This intellectual enslavement coupled with lack of tolerance constitutes a tiring burden for the one who has genuine will (Djait, 1984, p. 177).

This dilemma denotes presence of conflicting trends at a deeper level. The present value orientations, like the previous ones, are inseparable from the circumstances in which their holders are found; these circumstances are inevitably shaped by the interaction of Arab - Western relationship.

Obedience Versus Rebellion

When examining the nature of the relationships of Arabs to their institutions and organizations, analysts have often stated that these relationships are regulated by obedience and respect, rather than by rebellion and individual freedom. This notion has long dominated Western perceptions of Arab culture; when asked why he preferred to teach in Syria rather than in United States, for instance, the first president of the American University in Beirut, Daniel Bliss (1920: 200) replied that «I am inclined to think that students in the East are more easily kept in order than are those of students in the West for parents, teachers, the aged religious leaders, and hence, when they come in contact with teachers in schools, they are more easily governed». Some analysts have traced the origins of obedience and respect for authority to family socialization. For example, Sherabi (1988: 35) attributed Arab obedience to the prevalence of patriarchal relations in Arab society, «which limit participation by its members because of the continued dominance exercised by single leaders».

In contrast, rebellion for the sake of asserting one's freedom and dignity is almost always seen as a highly admirable virtue. Indeed, to the extent that Arabs are forced into compliance, they tend to value rebellion. That may explain why, for instance, the most respected Egyptian leaders in modern history, namely Ahmad Arabi, Sadat Zagloul, and Nasser, have been much appreciated for their spirit of defiance.

Charity Versus Justice

The existing social structure and prevalence of religious virtues in Arab societies have promoted the values affiliated with charity. These values may be juxtaposed to those connected with a concern for justice. Promotion of charity implicitly recognizes class inequalities as a natural phenomenon in an attempt to minimize their effects rather than to provide an effective solution. In fact, charity may unintentionally reinforce class inequalities and undermine the development of social class consciousness. Charitable giving overcomes the feeling of guilt, develops a sense of righteousness, and leads to the expectation that God will compensate the giver in this world and in the next one. The giver may also develop a feeling that the privileged life that makes charity possible is an earned right and concomitantly that misfortunes of the

poor are attributable to their lack of talents and ambition. By the same token, acceptance of charity is likely to internalize perceptions and beliefs that promote appreciation, gratitude, dependency, and humiliation. Such attitudes on the part of both givers and receivers of charity complement one another; together they perpetuate the dehumanizing class system and inequalities put forward by the prevailing order.

A counter cultural emphasis on justice rather than charity has been slowly and gradually developing in Arab society since the decline of the Ottoman Empire. Increasingly, Arabs are becoming convinced that justice is a basic human rights issue, and that societies are judged by their readiness and ability to secure well being of all their people.

Secularism Versus Theocracy

Conflict between these two sets of orientations is an important indicator of the complexity and contradictory nature of Arab culture. This issue continues to be one of the most controversial and sensitive particularly in view of the resurgence of Islamic fundamentalism. Hence, serious discussions on secularism are avoided for fear of a possible clash with religious institutions and movements.

The religious trend in Arab culture has been tremendously strengthened since the Iranian revolution of 1979. Advocates of the Muslim Brotherhood have been trying to islamize the entire life of Arabs. According to them, the most urgent task is to preserve the Arab - Islamic identity and revive its authenticity. This position had led either to a stress on the application of Islamic law or to complete rupture with the West in an attempt to put an end to dependency. New ideas have to be rejected in the name of authenticity, on the basis of their being «borrowed», «imported», or «alien». Muslim traditionalists postulate that a Muslim state must be administered in accordance with the principles of *Sharia*. Sayyid Qutb claimed that Islamic government is opposed to «human positive laws» and is obligated to carry on the «total revolution» of Islam, while Fazlur Rahman proceeded even further, maintaining that «secularism destroys the sanctity and universality of all morals values... secularism is necessarily atheistic» (both quoted by Sonn, 1987: 284). Algerian Malik Bin Nabi (1969: 75) also called for the «awakening of the Islamic community from its deep sleep», arguing that the «divine word» or the «religious idea» is what actually moves history and constructs reality». He noted that «civilization is reformed only through religious ideology... and inspiration descending from heaven».

At the opposite side stands the secular trend, which has fostered a critical stance toward Muslim tradition. Among others, Mohammed Arkoun (1988) has argued for the liberation from ideological dogmas through historicity and for the application of multidisciplinary methodologies of the social sciences. The essence of his argument lies in the deconstruction of dominant religious thought by freeing the «first text» (the revealed *Quran*) from the «second text» (the dominant interpretations of the *Quran*); being held captive by the «second text» has constituted a formidable obstacle to free thinking by Arabs. Arkoun also applied categories of epistemology, as developed by Foucault, to show that religion has been transformed into an ideological weapon in the hands of ruling classes. Fouad Zakariyya (1986) characterized Islamic discourse as a political ideology and spoke of the fundamentalist movement as «petro-Islam», suggesting that it receives financial support from oil-producing countries. Muhammad al - Nuwayhi (1983) spoke of the limitations of religious thought and the need to replace it with a broad secular view, suggesting that Islam neither grants any special group the right to monopolize interpretation of its beliefs nor offers a final order.

The Arab Approach to Business

Islamic religion constitutes a whole way of life, encompassing political, spiritual, and economic aspects. Therefore, Arab culture has been shaped to a

large extent by religious principles regulating everyday transactions:

Islam is not simply an acceptance of creed; rather, it is an affirmation of ultimate reality and participation in its daily fulfillment in everyday life, a total consciousness of this reality in everyday act of eating, working, paying, dreaming, in recreations and in interpersonal relations (Yazbeck, 1982, p.136).

Islamic economics are thought to be different from economics in general, as Muslim scientists are eager to point out. Capitalism is unwelcome, since ethical values are believed to be displaced by fierce competition. On the other hand, communism lacks a spiritual dimension and discourages from private initiative (Esposito, 1991). Islam recognizes the institution of private property, the necessity of profit, and the function of the market, but postulates that all wealth belongs to God, and man acts as a trustee of God (*Amin*). This trusteeship (*Amanah*) entails obligations which distinguish the Islamic economic system from the rest, including equitable distribution of resources and their rightful utilization (Chapra, 1995). Many westerners have formed a vague idea of Arabs being rather idle people, but this is contradicted by religious teachings:

When the prayer is finished, then disperse ye through the land and seek the bounty of God (*Quran*, 12: 10).

In western culture work is a mean for earning a life or for accumulating wealth. By contrast, in the Arab countries work is considered as *Ibada* (a deed of spiritual value). Any vocation serving a social need is thought to be righteous when performed honestly and effectively. Industries and manufacturing are praised, while the *Quran* makes specific reference to exemplary achievements, such as the construction of a boat by the Prophet Noah.

A most important principle of Islam concerns the denouncement of usury, to be substituted by *Zakath*. *Zakath* is a religious tax which has been imposed by God on rich individual Muslims, as well as on business institutions. Purpose of this tax is dual: to help the poor and the handicapped of the community, and to finance pilgrimage (*Hadj*) to Mekkah. According to the Islamic economic thought, wealth which is produced should be divided among three stakeholder groups, namely labor, capital suppliers, and the community; *Zakath* constitutes the community share. Business transactions, as well as institutions that are subject to *Zakath* are to be determined by the authorities. Also the exact amount of *Zakath* varies within each Arab state.

On the other hand, as mentioned in the previous, a most important religious principle concerns condemnation of any kind of material exploitation of humans. Following this trend, usury (*Ribah*) constitutes a primary source of exploitation. Usury is defined as the premium that has to be paid by the borrower to the lender in addition to the initial amount of the loan. Therefore, according to the Islamic thought, usury is incompatible with the holy teaching:

God has led His curse on usury and blessed almsgiving with increase. God bears no love for the impious and the sinful. Those that have faith and do good works, attend to their prayers and render the alms levy, will be rewarded by their Lord and will have nothing to fear or to regret. Believers, have fear of God and waive what is still due to you from usury, if your faith be true; or war shall be declared against you by God and His apostle (*Quran*, 2: 275-278).

Following this trend, Islamic banking is based on partnership agreements which are free of interest. Funds are raised for the bank by attracting investment over a period of one year to five years or more. Investment certificate holders are eligible to participate in profits of the bank in the form of dividends by the end of each financial year (Mannan, 1987). A certain amount of the *Zakath* tax is withdrawn from profits.

Nevertheless, short-term loaning has an important place in the contemporary economic context. Obviously it is unproductive for an Arab bank to provide short-term loans to numerous individuals without receiving an interest. Consequently, short-term loans are provided mostly to institutions which have been established to this end, such as co-operatives and credit agencies.

The Islamic approach to finance without interest is to reach profit-and-loss agreements, whereby parties conduct business transactions by exposing themselves to risk, often by establishing joint ventures, or by exchanging shares between institutions. The most widely encountered categories of agreements include *Mudarabah* and *Musharakha*, according to the extent of financial participation of the entrepreneur (*Mudarib*). According to the former, the entrepreneur contributes her/his time and effort, but loss is undertaken only by the financier. On the other hand, under *Musharakha* the entrepreneur has to contribute part of her/his capital in addition (Manan, 1987).

Concluding Remarks

Throughout this study dichotomies and dilemmas confronting Arab culture have been presented. It seems as if Arab culture is pulled between two polarities or visions, namely the traditional religious vision, and the secular vision. The religious vision has adopted as a starting point a rigid frame or reference, which is in need of a clear program for solving complicated problems which have been pestering Arab society. The second alternative vision engulfing Arab culture is the secular vision. A basic shortcoming of this approach lies in a distorted understanding of democracy and an emphasis on certain elements at the expense of others. Economic development, innovation, and central planning have been emphasized at the expense of freedom, basic human rights, pluralism, true elections, and genuine dissent.

Implications of Islamic principles for business are conflicting. Imposition of *Zakath* and prohibition of interest rate on financial capital obliges Arab businessmen and financial institutions to minimize their liquid assets in order to obtain better utilization of their property. Theoretically, this ought to render Arab companies and financial institutions rather prone to risk. This is partially corroborated by Hofstede (1991), since Arab countries are found in the middle with regard to the cultural dimension of "uncertainty avoidance", but other Muslim countries such as Iran, Malaysia and Indonesia scored low in this dimension. Nevertheless, there should be mentioned that desire of Arabic financial institutions to realize profitable investments is counterbalanced by chronic problems pestering economic life of Arab countries, including corruption, bureaucracy, prohibitions, and a number of additional taxes, tariffs, quotas etc imposed by the state.

Arab culture has to be taken seriously into account during business negotiations. Islamic religious beliefs have to be respected. Impulse, feelings, and personal relations may play an important role when attempting to reach a business agreement. Finally, subtle nuances of Arabic language should be taken into account. A fluency in Arabic language is likely to guarantee an auspicious opening for business discussions.

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